



REVISED AGENDA V.2

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SHORELINE CITY COUNCIL BUSINESS MEETING

Monday, September 15, 2014
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. When representing the official position of a State registered non-profit organization or agency or a City-recognized organization, a speaker will be given 5 minutes and it will be recorded as the official position of that organization. Each organization shall have only one, five-minute presentation. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Minutes of Special Meeting of August 25, 2014	<u>7a1-1</u>	
Minutes of Special Meeting of August 25, 2014	<u>7a2-1</u>	
Minutes of Business Meeting of August 25, 2014	<u>7a3-1</u>	
(b) Authorize the City Manager to execute a contract with Watson Asphalt Paving Co., Inc. in the amount of \$580,447.50 for construction of the 2014 Pavement Repair Project	<u>7b-1</u>	
8. ACTION ITEMS		
(a) Motion to Select Zoning Scenarios to be Analyzed in 145 th Street Light Rail Station Subarea Plan Draft Environmental Impact Statement	<u>8a-1</u>	7:20
9. STUDY ITEMS		
(a) Discussion of Ordinance No. 694 - Amendment to Chapter 3.27 of the Shoreline Municipal Code for Technical Corrections to the Property Tax Exemption Program	<u>9a-1</u>	8:20

(b) Discussion of the Second Quarter Financial Report

9b-1

8:40

10. ADJOURNMENT

9:00

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, August 25, 2014

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

3:30 p.m.

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Kirk McKinley, Transportation Services Manager; Scott MacColl, Intergovernmental Relations Manager; Dan Eernisse, Economic Development Manager; Alicia McIntire, Senior transportation Planner; and Bonita Roznos, Deputy City Clerk

GUESTS: Amy Scarton, Assistant Secretary for Community and Economic Development, Washington State Department of Transportation (WSDOT); Brenda Bauer, King County Roads Service Division Director, Carol Hunter, Transportation Planner, WSDOT; Daniel Strauss, Legislative Aide to Representative Frockt; Diane Carlson, Director of Regional Relations, King County; Dylan Counts, WSDOT Staff; Hon. Paul Roberts, Everett Councilmember and Sound Transit Boardmember; Hon. Tom Rasmussen, Seattle Councilmember and Transportation Committee Chair; Jake Johnston, Shoreline Federal Relations Consultant; Lorena Eng, Northwest Region Administrator, WSDOT; Lynn Peterson, Chief Executive Officer, Secretary of Transportation, WSDOT; Nigel Herbig, Legislative Aide to Representative Farrell; Nytasha Sowers, Project Manager, Sound Transit; Olivia Robinson, Congressman Jim McDermott's District Director; Rep. Ed Orcutt, 20th District Representative, House of Transportation Committee Ranking Minority; Rep. Gerry Pollet, 46th District Representative; Rep. Luis Moscoso, 1st District Representative; House Transportation Committee Vice Chair; Rep. Ruth Kagi, 32nd District Representative; Shoubee Liaw, Aide to Representative Ryu; Rory Paine-Donovan; Aide to Representative Moscoso

At 3:45 p.m., the meeting was called to order by Mayor Winstead.

Introductions were provided, and Mayor Winstead welcomed and expressed her gratitude for everyone's participation in the tour. She stated the purpose of the tour and presented Kirk McKinley, Transportation Manager, to provide an overview of the 145th Street Project. He reviewed city limit boundaries, explained street ownership and annexation plans, described the site location, and commented on the development of a Route Development Plan (RDP) to address improvements needed on the 145th Street Corridor. He described what is needed to correct the corridor and interchange at Interstate 5; stated that the solution will need to address multi-modal transportation options and safety; and talked about the impact the Light Right Station will have on this corridor when it opens in 2023. He commented on potential growth activity, traffic volumes, minimal transit service, the Light Rail Station Subarea Plan, and reviewed the tour map.

Scott MacColl, Intergovernmental Relations Manager, commented on the anticipated increase in the use of this corridor with the opening of the Light Rail Station, explained the need to develop partnerships and seek funding assistance.

Amy Scarton, Assistant Secretary for Community and Economic Development for WSDOT, commented on the availability of the Transportation Investment Generating Economic Recovery (TIGER) Grant and recommended that the City apply for federal dollars for this corridor.

At 4:00 p.m. the group boarded the bus for a tour of the 145th Street corridor via Aurora Avenue. Mr. McKinley pointed out improvements on Aurora Avenue and shared some of the challenges regarding redevelopment at Aurora Square. Participants exited the bus and walked 145th Street crossing Interstate 5. Alicia McIntire, Senior Transportation Planner, pointed out the location of the new Light Rail Station, commented on neighborhood transit east to west connections, and talked about community participation in planning and design. She spoke about the RDP that evaluate options to accommodate multi-modal transportation, address safety issues, and identified state and local jurisdictions, agencies, utility companies and community partnerships. The bus tour proceeded on Lake City Way and returned to City Hall.

At 5:15 p.m., Mayor Winstead declared the meeting adjourned.

Bonita Roznos, Deputy City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, August 25, 2014

Conference Room 301- Shoreline City Hall
17500 Midvale Avenue North

5:45 p.m.

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: None

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Kirk McKinley, Transportation Services Manager; Scott MacColl, Intergovernmental Relations Manager; Alicia McIntire, Senior transportation Planner; and Bonita Roznos, Deputy City Clerk

GUESTS: Amy Scarton, Assistant Secretary for Community and Economic Development, Washington State Department of Transportation (WSDOT); Lorena Eng, Northwest Region Administrator, WSDOT; Jake Johnston, Shoreline Federal Relations Consultant

At 5:46 p.m., the meeting was called to order by Mayor Winstead. She extended a welcome to Amy Scarton, Assistant Secretary for Community and Economic Development, WSDOT; Lorena Eng, Northwest Region Administrator, WSDOT; and Jake Johnston, Shoreline Federal Relations Consultant. She shared the importance of developing partnerships to address challenges on the 145th Street Corridor and on seeking funding for the 145th Street Improvement Project.

Ms. Scarton provided a brief biography and stated she has been with WSDOT for six months. She commented that her focus has been on “Result WSDOT” Model Integration and Community Engagement goals. She talked about the Transportation Investment Generating Economic Recovery (TIGER) Grant, shared that the grant is funding three state projects, that it is awarded based on the biggest need, and to those projects that are the most ready to proceed. She asked about the Route Development Plan, and advised that the Plan include flexibility, multi-modal options, operational information, traffic demand management, and capital projects. She recommended identifying and applying for all available funding, pursuing smaller grants, driving goals around performance, and working on 2015 legislation with the House of Representatives and the State Senate to incorporate State Route 523 in a transportation package. She talked about King County Executive Dow Constantine’s executive order to increase integration efficiencies across Sound Transit and Metro Transit.

Councilmembers commented on support received from District Offices, and on making a request for funding as a part of the state transportation package. They expressed the need for improvements on the 145th Street corridor to get people safely to the transit station, having multi-modal transportation options, developing partnerships to assist with funding, and stated their preference in having a final solution for the corridor in preparation for the opening of the Light Rail Station in nine years. They asked how WSDOT can assist in finding funding, about the TIGER funding process, and commented on Metro's Long Range Plan. Mr. MacColl asked, as a smaller entity, how the City can compete with bigger funding projects. Ms. Eng recommended including a variety of options in the plan and focusing on performance based goals established on necessity.

Kirk McKinley, Senior Transportation Manager, described potential improvements to 145th Street Corridor and interchange at Interstate 5. Alicia McIntire, Senior Transportation Planner, identified the core team participants, stated the City is in the final stage of selecting a consultant to develop the RDP, and that she anticipates the RDP being completed in October 2015.

A discussion ensued on Metro and Sound Transit Long Range Plans, and Ms. McIntire explained the need to complete a service integration plan now.

Debbie Tarry, City Manager, communicated the importance of developing partnerships, planning and seeking funding to advance this project, and expressed appreciation to Ms. Scarton and Ms. Eng for their support and participation.

At 5:35 p.m., Mayor Winstead declared the meeting adjourned.

Bonita Roznos, Deputy City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, August 25, 2014
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Winstead, Deputy Mayor Eggen, Councilmembers McGlashan, Hall, McConnell, Salomon, and Roberts

ABSENT: None

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Winstead, who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Winstead led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF THE CITY MANAGER

Debbie Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Mayor Winstead reported on the 145th Street Project Tour attended this afternoon by Council, Lynn Peterson, Chief Executive Officer, Secretary of Transportation, Washington State Department of Transportation (WSDOT), and other elected officials to discuss improvements to the 145th Street corridor and the Interstate 5 interchange in preparation for the new Light Rail Station. She shared that Amy Scarton, Assistant Secretary for Community and Economic Development WSDOT, attended the 5:45 p.m. Special Meeting to discuss the future of the 145th Street Corridor. Mayor Winstead also reported attending the King County Boundary Review Board Meeting regarding the Ronald Wastewater District Assumption.

5. PUBLIC COMMENT

Liz Poitras, Shoreline resident, commented on micro-housing and submitted her comments for the record.

Sue Garner, Shoreline resident, spoke about the proposed up-zone at 185th, commented that the City's maps keep showing higher densities, and stated her objections. She expressed concern

over losing single family homes and voiced frustration over not receiving notification on the proposed up-zone near her residence at 8th Avenue NE.

Roberta Overstreet, Shoreline resident, expressed concern about developments built in close proximity of high voltage power lines, talked about lack of notification to neighborhoods regarding up-zoning, and stated a petition has been submitted in opposition of up-zoning.

Donna Moss, Planning Commissioner, Shoreline resident, stated she is not representing the Planning Commission with her comments. She offered support for the recommendation of the 185th Street Station Preferred Alternative presented by the Planning Commission. She commented on citizens asking for up-zoning and discussions regarding areas I, J, and K, and encouraged Council to adopt the Planning Commission's original recommendation.

Steven Townson, Shoreline resident, shared he moved from Seattle to Shoreline to get away from density. He asked for the analysis used to support the plan, talked about impact to schools, and wants to know what the plans will be for accommodating more density.

Brad Telford, Shoreline resident, commented on living in Shoreline, and stated they are still waiting for sidewalks in North City. He expressed concern with parking challenges for high density housing and thoroughfares between North City and Lake Forest Park.

Dan Dale, Shoreline resident, commented on the timeframe of the study, disagreed with moving forward with the most aggressive parts of the plan, and shared his opinion that up-zoning closest to the station will provide protection to single family neighborhoods. He referenced a letter from Natasha Sauers, Sound Transit, regarding phase zoning and the development of nodes.

Ms. Tarry explained that tonight Council will make a decision on which 185th Street Station Preferred Alternative will be studied in the FEIS, and stated that final zoning decisions will not be made this evening.

Mayor Winstead commented on the City's commitment to transparency in conducting business, and asked Ms. Tarry to address community outreach regarding the 185th Street Station Preferred Alternative. Ms. Tarry commented on community outreach and stated that Miranda Redinger, Senior Planner, will highlight outreach efforts in the presentation.

6. APPROVAL OF THE AGENDA

Councilmember Hall moved amending the agenda to move Action Item (c) *Discussion of Council Subcommittee Recommendation and Appointment of Planning Commissioner after Action Item (a)*. The motion was seconded by Councilmember Roberts, and the agenda was unanimously approved as amended.

7. CONSENT CALENDAR

Upon motion by Councilmember Hall, seconded by Deputy Mayor Eggen and unanimously carried, the following Consent Calendar items were approved:

(a) Minutes of Special Meeting of August 1, 2014; Minutes of Special Meeting of August 11, 2014; and Minutes of Business Meeting of August 11, 2014

(b) Approval of expenses and payroll as of August 7, 2014 in the amount of \$1,686,996.30

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
7/6/14-7/19/14	7/25/2014	56669-56898	13290-13324	57502-57509	\$625,777.46
					<u>\$625,777.46</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
7/28/2014	1084	\$9,956.25
		<u>\$9,956.25</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
7/29/2014	57459	57459	\$117.36
7/30/2014	57460	57460	\$44,931.12
7/30/2014	57461	57467	\$48,157.62
7/30/2014	57255	57255	(\$500.00)
7/30/2014	57323	57323	(\$26,177.50)
7/30/2014	57468	57468	\$26,177.50
7/30/2014	54304	57304	(\$227.51)
7/30/2014	57469	57469	\$227.51
7/31/2014	57470	57478	\$11,174.56
7/31/2014	57479	57501	\$14,135.45
8/5/2014	57510	57510	\$129,060.00
8/5/2014	56931	56931	(\$110.00)
8/5/2014	57511	57511	\$110.00
8/5/2014	57512	57521	\$9,922.80
8/7/2014	57522	57531	\$33,355.55
8/7/2014	57532	57561	\$487,765.78
8/7/2014	57562	57567	\$2,216.31
8/7/2014	57568	57585	\$270,926.04
			<u>\$1,051,262.59</u>

8. ACTION ITEMS

(a) Public Hearing and Approval of the 2015-2016 Human Services Funding Plan and the Proposed Use of 2015 Capital Community Development Block Grant Fund (CDBG)

Rob Beem, Community Services Manager, provided an overview of the Two Year Human Resources Funding Plan for 2015-16, and stated total funding is \$315,953 for the general fund and \$300,281 for CDBG funding. He reminded Council of the interlocal agreement with King County, and commented on the application process and responses received. He stated that staff's recommendation is to maintain support to 23 programs, and support two capital projects: Ronald Commons, and the Minor Home Repair Program.

Mayor Winstead opened the Public Hearing for public comment.

Amy Lee Derenthal, Food Life Line, described the work the organization performs and shared they provide food services to Dale Turner Family YMCA, Hopelink, and North Helpline. She thanked Council for past support and said she hopes it continues.

Bob Lohmeyer, Shoreline-Lake Forest Park Senior Center Director, talked about their senior programs and services, and provided Council a copy of their newsletter and other documents regarding the Center's operation. He thanked Council for past support and shared that the total support received from the cities of Shoreline and Lake Forest Park, along with outside donors, represents 26% of their budget. He shared that the remaining 74% is from fundraising. He encouraged Council to accept the 2015-2016 Human Services Funding Plan.

Beth Boram, Compass Housing Alliance Ronald Common's Project, expressed appreciation for staff's recommendation of \$58,000 in CDBG capital funds for the Ronald Commons project. She explained the funding will provide housing for the homeless and a permanent home for Hopelink.

Paula McCutcheon, Pastor Ronald United Methodist Church, thanked Council and staff for supporting the Ronald Commons Project, and for staff's recommendation of \$58,000 in CDBG capital funds. She talked about the City Council's illustration of transformation in the community.

Debra Grant, Hopelink, stated her support for the general fund allocations, the Ronald Commons project, and staff's recommendation for the Human Services Plan. She stated they are all important to meet the needs of the community.

Nick Anderson, Volunteer Boardmember for the Center of Human Services, stated support for staff's recommendation. He shared a personal story about growing up with a mentally ill and chemically dependent family member. He explained the services the Center provides to residents with similar challenges, and stated the Center relies on the financial support from the City.

Rosie Cobas, Wonderland Developmental Center, thanked the Council for continued support, shared the organization's mission, and explained how the funds would be spent.

At 7:49 p.m., Mayor Winstead closed the Public Hearing.

Councilmember Hall moved adoption of the biennial 2015 Human Services and CDBG Funding and Contingency Plan in accordance with Attachment A and authorizing the City

Manager to execute agreements for implementing the funded projects. Deputy Mayor Eggen seconded the motion.

Councilmember Hall thanked organizations for the services they provide and the work they perform. He commented on the decrease in federal funding, expressed his excitement that the City is able to provide funding, and stated he wishes there was more. Deputy Mayor Eggen concurred. Councilmember Salomon shared that he appreciates the public comment on mental illness. He stated he is pleased that the City can fund family support services, and hopes more funding will be available in the future. He then expressed concern over the home improvement program income requirement being too high. He commented that he understands the interlocal agreement prevents the City from lowering the annual \$51,000 income threshold, and noted that most recipients of the subsidy in Shoreline are under that amount. He stated his support for the motion. Councilmember McConnell expressed gratitude to staff for putting together the Plan, explained that the budget has seen cutbacks, stated she wishes they could allocate more, and talked about the seriousness of mental health illness. Mayor Winstead expressed her thanks to all the people who volunteer and support the residents of Shoreline.

The motion passed unanimously.

(b) Discussion of Council Subcommittee Recommendation and Appointment of Planning Commissioner

Steve Szafran, Senior Planner, provided background information and explained the vacancy on the Planning Commission. He recalled that the Council reappointed the Subcommittee on August 18, 2014. He stated the Subcommittee met on August 20, 2014 and that they are recommending the appointment of Laura Mork to the Planning Commission.

Councilmember Roberts move to appoint Laura Mork to the Planning Commission for the remainder of Terri Strandberg's term that will run from Sept 4, 2014 through March 31, 2018. Deputy Mayor Eggen seconded the motion.

Councilmember Roberts explained that Ms. Mork was interviewed in February 2014, spoke about her qualifications, and commented on her being a good addition to the Commission. Deputy Mayor Eggen commented on evaluating the last set of candidates, stated he was very impressed with Ms. Mork and that she will make a great Commissioner. Councilmember Salomon provided advice to the new Commissioner and encouraged her to speak her voice.

The motion passed unanimously.

Mayor Winstead offered congratulations to Ms. Mork and invited her to speak. Ms. Mork expressed that she is honored to serve on the Commission and thanked Council for the opportunity.

(c) Motion to Select the 185th Street Station Preferred Alternative for FEIS

Miranda Redinger, Senior Planner, reviewed the 185th Street Station Subarea Plan schedule. She talked about community outreach and advertising, and explained the methodology used to send

out postcards notifications. Ms. Redinger referred to the Draft Environmental Impact Statement (DEIS), and explained that impacts to school, traffic, and utilities are included in the study. She reviewed the zoning scenario maps for Alternative 1-No Action; Alternative 2-Some Growth; and Alternative 3-Most Growth. She presented the new zone designations and additional Preferred Alternative map options. She then reviewed the next steps in the process.

Mayor Winstead asked when the 185th Street Station Citizens Subcommittee was formed and how many members are on the Subcommittee. Ms. Redinger responded the Subcommittee has been meeting for close to two years and consists of 12 – 20 participants at each meeting.

Deputy Mayor Eggen moved adoption of 4B as the preferred alternative to be analyzed in the FEIS for the 185th Street Station Subarea Plan. Councilmember Salomon seconded the motion.

Deputy Mayor Eggen expressed his appreciation for the work of the 185th Station Citizens' Committee, Planning Commission, and staff. He commented on the hard work put into community outreach and said there is more to do. He stated concern over noticing of the proposed zoning increases in J, K and L, and over studying an alternative with the highest density since there is a tendency to adopt what is studied.

Councilmember Salomon commented on scarcity versus density for areas to build out and tension between high ridership and the right scale for development and amenities. He echoed comments made by Deputy Mayor Eggen on the tendency to adopt what is studied and suggested narrowing down the study. He stated step backs and transitions for the zones need to be addressed.

Councilmember Hall commented on the Planning Commission's recommendation to extend zoning in I, J and K and stated they provided rationale to support it. He advised identifying a preferred alternative to study that is as close as possible to the desired outcome and provides the greatest clarity and predictability to the public. He stated the Council has the flexibility to adopt less intense zoning than what is studied in the FEIS, but they cannot go above it. He shared his intention to either amend or oppose the main motion, and move Alternative 4D.

Councilmember McGlashan moved to substitute the main motion with preferred alternative 4A. Councilmember Hall seconded the motion.

Councilmember McGlashan commented on the discussion around section L and stated that the highest possibility should be studied. He talked about the community meetings he attended supporting station walkability. Councilmember Hall stated his support for this motion, with a minor amendment regarding the School District property. Councilmember Roberts stated he will oppose the motion and believes it is easier to start with Alternative 4D. He commented on creating adequate transitions between R-6 and MUR-45, or greater, in any map the Council selects. Deputy Mayor Eggen pointed out that this amendment supports the highest zoning in a small area, and stated he will be opposing the motion.

Ms. Redinger explained the transition standards and setbacks proposed by the Planning Commission, commented on developing a master use permit zone, and stated that there will be transition standards between MUR-85 and anything less.

The vote on substitute motion failed 3-4 with Councilmembers McGlashan, Hall and McConnell voting yes; Mayor Winstead, Deputy Mayor Eggen, and Councilmembers Salomon and Roberts voting no.

Mayor Winstead reiterated that main motion Alternative 4B is on the table for consideration.

Councilmember Roberts commented on wanting more predictability in the development agreement, and asked why the underline zoning for North City Park and Shoreline Park would be increased. He stated he wants to keep North City Park as R-6. Ms. Redinger explained that parks are a use and not a zone, stated they are not anticipated to change, commented on keeping the underline zoning consistent with surrounding zoning areas, and provided examples of leveraging open space.

Councilmember Hall moved to amend the main motion (map 4B) to change the following areas: 1) Area L between 1st and 3rd north of Shoreline Park, from MUR-45 to MUR-85; 2) Area J between 1st Avenue and Corliss, from MUR-35 to MUR-45 with the exception of a strip of two parcels deep from the parcels just south of 192nd all the way to 195th, and one parcel deep on Corliss between 190th and 192nd except for the two properties just south of 192nd; 3) Area immediate north of E change to MUR-35; and 4) change underline zoning of Shoreline Park and Rotary Park to MUR-85 and North City Park to MUR-35. Councilmember Roberts seconded the motion.

Councilmember Hall explained the amendment will help address transition issues, and commented on the underline zoning of parks and land swap developments. Councilmember McGlashan expressed his support for the change to MUR-85 for Shoreline Park, shared his vision for the Shoreline Center, and stated his support for the amendment. Deputy Mayor Eggen commented that the amendment contains significant up-zoning and stated he will be opposing the amendment because of public comment against it. Mayor Winstead stated her support for the amendment and the need to study the highest and best use.

The motion passed, 5-2, with Deputy Mayor Eggen and Councilmember Salomon voting no.

Councilmember Roberts commented on the next steps for the 185th Station Area, and requested the dates that the Planning Commission will be discussing the development code standards. Ms. Redinger stated that core amendments and new incentives will be discussed at the September 4th and 18th meetings, and shared that OTAK will begin working on the FEIS.

Mayor Winstead advised citizens to sign-up for Alert Shoreline to receive notifications from the City. Deputy Mayor Eggen asked if a FEIS can be completed based on the limited information on final zoning standards, and for clarification regarding how growth will be studied. Ms. Redinger explained that the document has a 20 year planning horizon, and shared that some

assumptions will need to be made. She commented on the timing of redevelopment projects, the building of each phase, and stated that the 1.5 – 2% growth rate and full build out will both be analyzed. Councilmember Hall commented on population growth, increased traffic congestion, and explained that the Light Rail Stations will change neighborhoods. He shared that changing zoning will provide people with building options and housing choices that produces a transient oriented community near the Light Rail Station which aligns with Vision 2029.

The vote on main motion to adopt Alternative 4B as amended passed, 6-1 with Deputy Mayor Eggen voting no.

9. EXECUTIVE SESSION

At 9:23 p.m., Mayor Winstead announced Council recess into an Executive Session for a period of 15 minutes as authorized by RCW 42.30.110(1)(i) to discuss with legal counsel matters relating to litigation. City staff attending the Executive Session included: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Julie Ainsworth-Taylor, Interim City Attorney, and Ramsey Ramerman, Attorney. At 9:38 p.m., Mayor Winstead announced a 10 minute extension to the Executive Session. At 9:48 p.m., Mayor Winstead announced a 10 minute extension to the Executive Session. At 9:58 p.m., the Executive Session adjourned.

10. ADJOURNMENT

At 9:58 p.m., Mayor Winstead declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Authorize the City Manager to execute a contract with Watson Asphalt Paving Co., Inc. in the amount of \$580,447.50 for construction of the 2014 Pavement Repair Project
DEPARTMENT:	Public Works
PRESENTED BY:	Tricia Juhnke, City Engineer
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

The purpose of this report is to request the City Council to authorize the City Manager to execute a contract with Watson Asphalt Paving Co., Inc. in the amount of \$580,447.50 for construction services needed to complete the 2014 Pavement Repair Project.

RESOURCE/FINANCIAL IMPACT:

The City Council has authorized \$1,500,000 in the 2014 CIP Budget for the Annual Road Surface Maintenance Program. Within the Road Surface Maintenance Program, \$609,000 is allocated for construction of pavement repairs. The 2014 Pavement Repair Project was separated into four schedules and the low bid amount for all four schedules is \$671,670.00.

The low bid exceeds the budget by \$62,670.00. As a result, staff recommends award of three of the four schedules to keep the project within budget. Schedule C was dropped from the recommended award because it is the lowest cost schedule. By awarding Schedules A, B and D, the amount of paving repairs are maximized for the available budget.

RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute a contract with Watson Asphalt Paving Co., Inc. in the amount of \$580,447.50 for construction of Schedules A, B and D of the 2014 Pavement Repair Project.

Approved By: City Manager **DT** City Attorney **JA-T**

INTRODUCTION

This project will address pavement repairs on streets planned for future Bituminous Asphalt Surface Treatment (BST). The select streets have areas where the structural condition of the street is poor and must be repaired prior to completing a BST. The work will include grinding the asphalt down to a depth where the structural condition is stable, then repaving the street. While the depth of grinding is expected to be between two to four inches, in some cases, the roadway section may need to be removed down to the subgrade material.

BACKGROUND

Pavement conditions vary within different areas of a roadway. Travel patterns, traffic volume and exposure to weather are some factors that cause areas of the roadway to deteriorate at different rates. While BST is a surface treatment that will extend the life of a roadway, it provides limited structural value once the roadway surface begins to fail. Areas in need of structural repair should be completed prior to the BST for the treatment to be most effective.

The City's Streets Maintenance Crew has inspected the streets planned for BST in 2015, and have identified the areas where structural repair is necessary. In some cases, the areas identified for repair covered a majority of the street and as a result, those streets will receive a full width overlay. A full width overlay is more efficient for large areas and will not require going back the following year to apply a BST.

DISCUSSION

Eight streets have been identified for repair and are grouped into four bid schedules as follows:

Schedule A (overlay)

- 6th Avenue NW from NW 175th Street to NW 180th Street
- NW 175th Street from 6th Avenue NW to Saint Luke's Place N
- Dayton Avenue N from N 165th Street to N 172nd Street

Schedule B (patching)

- 3rd Avenue NW from N 175th Street to Carlyle Hall Road NW
- Carlyle Hall Road NW from 3rd Avenue NW to N 165th Street
- Greenwood Avenue N from NW Innis Arden Way to North Greenwood Drive

Schedule C (patching)

- 1st Avenue NE from N 145th Street to N 155th Street

Schedule D (patching)

- 25th Avenue NE from NE 145th Street to NE 153rd Street

Attachment A to this staff report provides a map of the select streets.

Staff first advertised for bids on August 26, 2014 and on September 9, 2014 five bids were received. Watson Asphalt Paving Co., Inc. provided the low bid in the amount of \$671,670.00. Watson's bid break down per schedule is as follows:

Schedule A (overlay)	\$366,735.00
Schedule B (patching)	\$106,620.00
Schedule C (patching)	\$91,222.50
Schedule D (patching)	<u>\$107,092.50</u>
Total	\$671,670.00

As the total bid amount exceeds the project budget for construction, staff recommends award of Schedules A, B and D, in the amount of \$580,447.50, to maximize the amount of pavement repairs and keep the contract cost within budget.

COUNCIL GOAL(S) ADDRESSED

The 2014 Pavement Repair Project addresses Goal 2, Improve Shoreline's utility, transportation, and environmental infrastructure.

RESOURCE/FINANCIAL IMPACT

EXPENDITURES

2014 Pavement Repair Contract (this contract)	\$580,447.50
2014 Pavement Repair Project (Project administration and design cost)	\$57,000.00
Pavement Management & Asset Inventory (Consultant fee)	\$127,003.68
BST Project (Project administration and construction costs)	\$670,000.00
Adjusted Road Surface Maintenance Contingency	\$65,548.82
<hr/> Total Project Cost	<hr/> \$1,500,000.00

REVENUE

Roads Capital Fund (Road Surface Maintenance)	\$1,500,000.00
<hr/> Total Revenue	<hr/> \$1,500,000.00
Program Balance (Revenue - Expenditures)	\$0

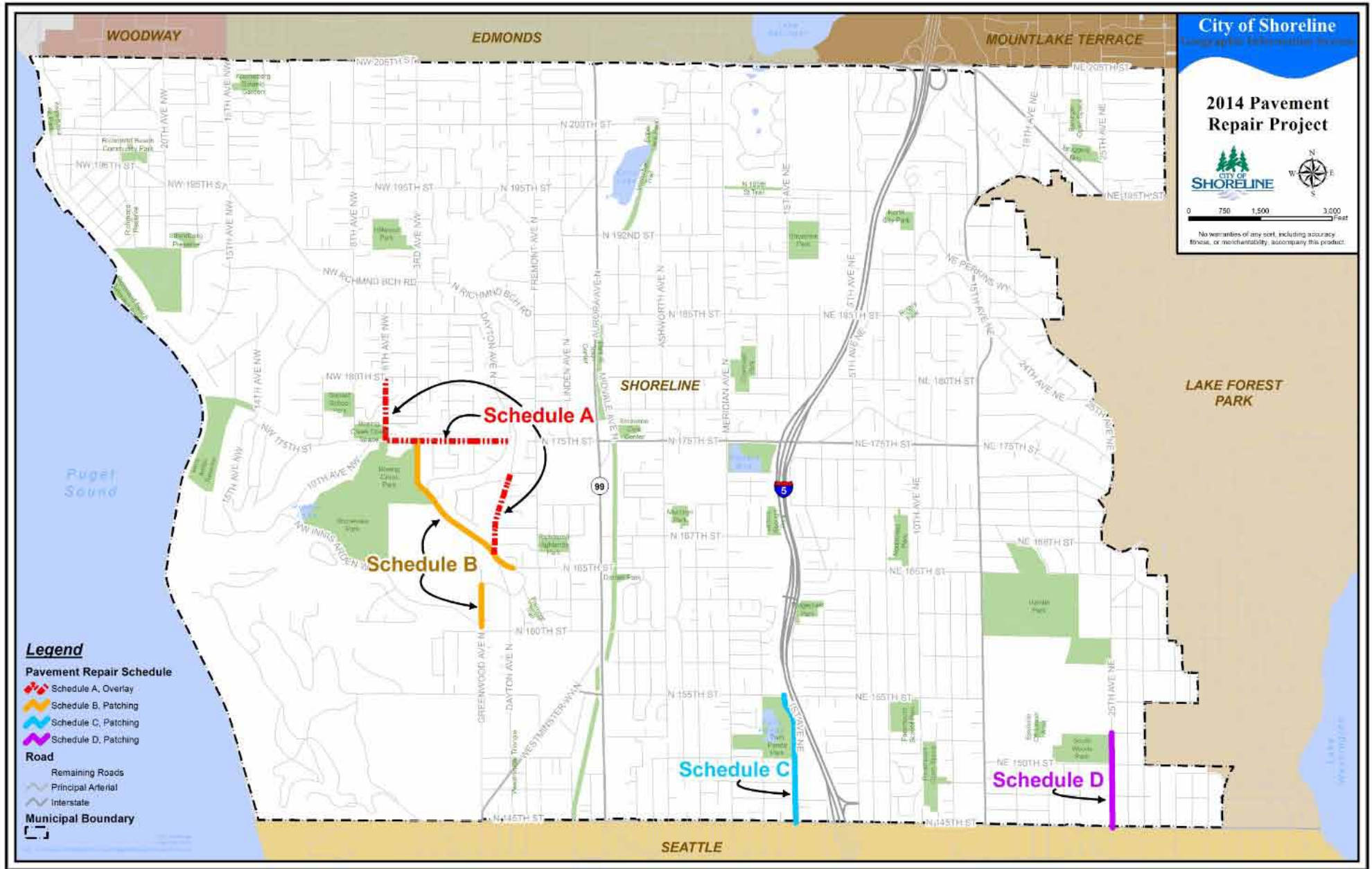
RECOMMENDATION

Staff recommends that Council move to authorize the City Manager to execute a contract with Watson Asphalt Paving Co., Inc. in the amount of \$580,447.50 for construction of Schedules A, B and D of the 2014 Pavement Repair Project.

ATTACHMENTS

Attachment A: 2014 Pavement Repair Project Vicinity Map

2014 Pavement Repair Project Vicinity Map



CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Motion to Select Zoning Scenarios to be Analyzed in 145 th Street Light Rail Station Subarea Plan Draft Environmental Impact Statement
DEPARTMENT:	Planning & Community Development
PRESENTED BY:	Miranda Redinger, Senior Planner Rachael Markle, AICP, Director, Planning & Community Development
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

On August 18, 2014, City staff and light rail project consultants from OTAK and Leland Consulting Group presented information to the Council about the June Design Workshops for the 145th Street Station Subarea Plan (145SSSP), including design concepts that arose from community input, and the Market Assessment performed for the subarea. Materials from this Council presentation are available at the following link: <http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2014/staffreport081814-9a.pdf>.

The Council must now choose potential zoning scenarios to be included in the Draft EIS. Staff has created four potential growth scenarios, in addition to the "No Action" scenario, for a total of five. These five potential zoning scenarios are attached to this staff report as Attachments A-E.

RESOURCE/FINANCIAL IMPACT:

No direct financial or resource impacts are anticipated as a result of this motion, unless Council chooses more than three zoning scenarios to analyze in the Draft Environmental Impact Statement (EIS).

RECOMMENDATION

Staff recommends that Council discuss, modify if necessary, and move to select three zoning scenarios to be presented at the Design Workshop, Part II on October 9, 2014, and to be analyzed in the Draft Environmental Impact Statement for the 145th Street Station Subarea Plan.

Approved By: City Manager **DT** City Attorney **JA-T**

BACKGROUND

On June 12, 2014, the City hosted a community meeting that constituted Part I of a two part Design Workshop series for the 145SSSP. Over 100 people attended the meeting, learned about the process, brainstormed, and sketched ideas. Staff also hosted similar workshops at the May and June meetings of the 145th Station Citizen Committee (145SCC) and with a small focus group of people with development interests.

On August 18, 2014, City staff and light rail project consultants from OTAK and Leland Consulting Group presented information to the Council about the June Design Workshops, including design concepts that arose from community input, and the Market Assessment performed for the subarea. All comments received during the June workshops are available in the Design Workshop Summary Report, which was included as Attachment A in the August 18 Council packet.

DISCUSSION

The Council must now choose potential zoning scenarios to be included in the Draft EIS. Staff has created four potential growth scenarios, in addition to the "No Action" scenario, for a total of five. These five potential zoning scenarios are attached to this staff report as Attachments A-E and are also described below.

Council may choose two scenarios in addition to the "No Action" scenario to analyze in the Draft EIS. If Council wishes to analyze more than two of the growth scenarios, it would impact the project budget, and OTAK's contract scope would need to be revisited. OTAK estimates that it would cost between \$10,000-\$15,000 for each additional scenario analyzed in the Draft EIS. Therefore, staff recommends that Council select only two growth scenarios to analyze, which may be modified from those attached.

Each scenario will be analyzed in terms of likely build-out over the 20-year planning horizon of the Draft EIS and at full build-out. The latter includes an estimate of how long it could take to reach full development potential, which could be many decades or possibly generations. For both the 20-year and full build-out timeframes, the Draft EIS will describe impacts to systems such as transportation, utilities, and schools, and make recommendations for mitigations such as infrastructure improvements.

ZONING SCENARIOS

The zoning scenarios attached to this staff report and described below have been amended slightly from the version presented on August 18, which did not address transition from higher intensity zones to existing single-family. Staff believes that the attached scenarios more closely represent direction provided by the community at the Design Workshops, and also direction from Council on August 18 to "transition in" from single-family zoning rather than expanding transition zoning into these areas.

Attachment A: No Action

This scenario is required to be analyzed in the Draft EIS. Note that No Action does not mean no change. Even if the City retained current zoning, property owners would still be able to maximize existing development capacity, including 35 foot heights in single-

family zones, adding Accessory Dwelling Units, etc. Since limited redevelopment would be allowed, it is unlikely that improvements represented as the “Greenway Corridor” would be implemented.

Attachment B: 5th Avenue Emphasis

This scenario showcases 5th Avenue as a primary connecting corridor between both station subareas and a commercial area at 165th Street. In order to keep potential densities similar to the 155th Street Emphasis, more existing single-family area is shown as unchanged along 155th Street.

Attachment C: 155th Street Emphasis

This scenario showcases 155th Street as a primary connecting corridor between the 145th Street Station Subarea and Aurora Avenue N on the west, specifically the Community Renewal Area at Aurora Square and the Fircrest campus on the east. In order to keep potential densities similar to the 5th Avenue Emphasis, transition areas to the east and west of the station include more 35 foot height zoning than the 45 foot heights considered under the previous scenario.

Attachment D: 5th Avenue and 155th Street Emphasis

This scenario includes both corridors previously considered, but reduces potential zoning capacity in the area north of the station and other commercial and residential areas.

Attachment E: No Corridor Emphasis

This scenario does not emphasize corridors and focuses potential growth solely on the area within roughly a ½ mile radius of the station. This scenario was not presented on August 18, but was recommended during staff discussion by the City’s Economic Development Manager in order to concentrate potential redevelopment in close proximity to the future light rail station.

NEXT STEPS

Zoning scenarios selected by Council will be presented at the second series of Design Workshops, including a community meeting on October 9. This community meeting will also serve as scoping for the 145SSSP Draft EIS. Staff will check in with Council following the October 9 Design Workshop if any comments are submitted that may be cause to reconsider zoning scenarios prior to analyzing them in the Draft EIS.

Upon release of the Draft EIS, the City will host another community meeting and open a public comment period. Following the public comment period, the Planning Commission will hold a public hearing, and make a recommendation for a Preferred Alternative zoning scenario to be analyzed in the Final EIS. Council will then decide on the Preferred Alternative, and OTAK will begin developing the Final EIS.

COUNCIL GOAL ADDRESSED

This agenda item addresses Council Goal #3, Prepare for two Shoreline Light Rail Stations.

RESOURCE/FINANCIAL IMPACT

No direct financial or resource impacts are anticipated as a result of this motion, unless Council chooses more than three zoning scenarios to analyze in the Draft Environmental Impact Statement (EIS).

RECOMMENDATION

Staff recommends that Council discuss, modify if necessary, and move to select three zoning scenarios to be presented at the Design Workshop, Part II on October 9, 2014, and to be analyzed in the Draft Environmental Impact Statement for the 145th Street Station Subarea Plan.

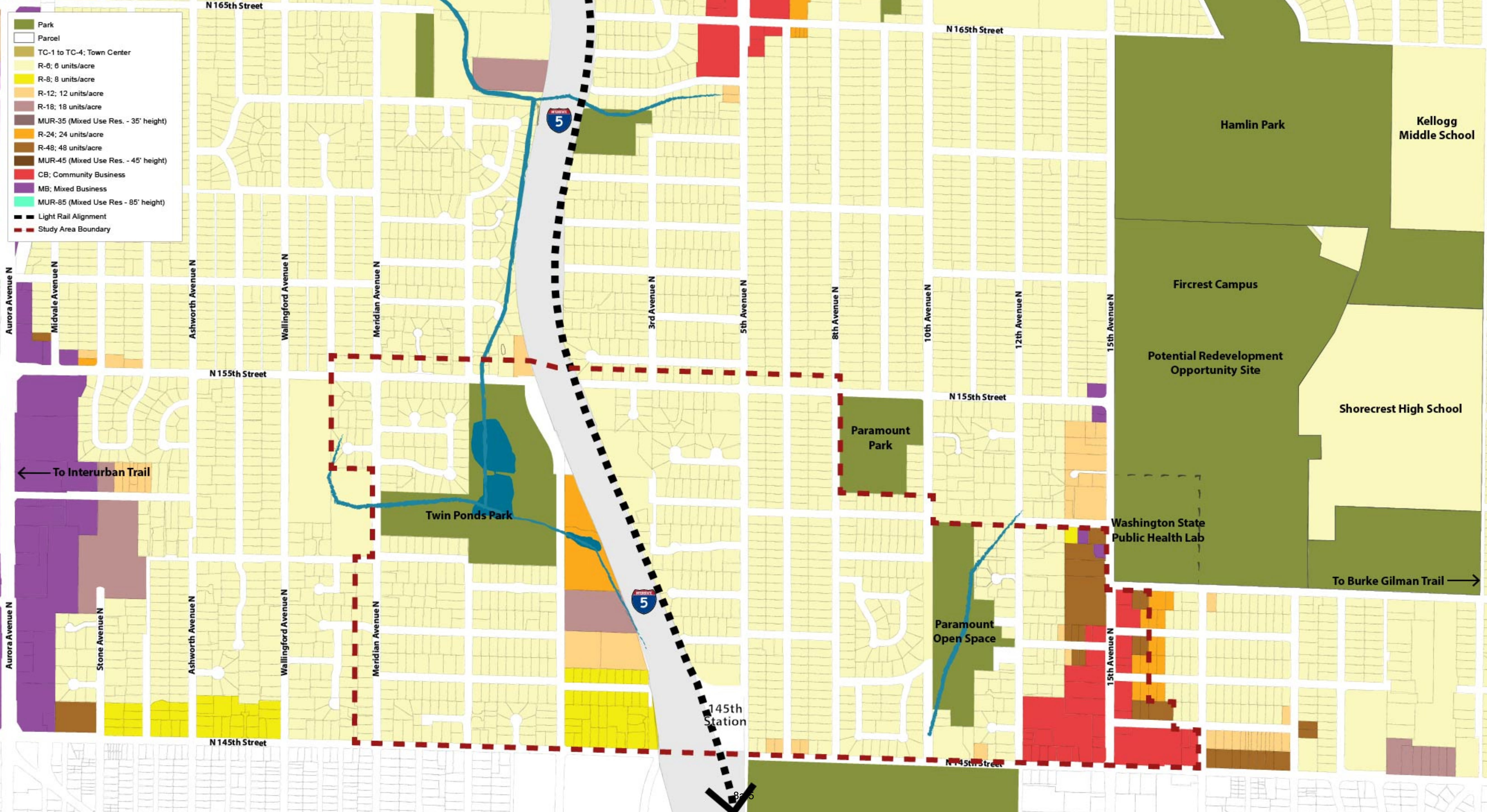
ATTACHMENTS

- Attachment A - "No Action" Potential Zoning Scenario
- Attachment B - "5th Avenue Emphasis" Potential Zoning Scenario
- Attachment C - "155th Street Emphasis" Potential Zoning Scenario
- Attachment D - "5th Avenue and 155th Street Emphasis" Potential Zoning Scenario
- Attachment E - "No Corridor Emphasis" Potential Zoning Scenario

ATTACHMENT A: NO ACTION

145TH STATION SUBAREA POTENTIAL ZONING SCENARIO

- Park
- Parcel
- TC-1 to TC-4; Town Center
- R-6; 6 units/acre
- R-8; 8 units/acre
- R-12; 12 units/acre
- R-18; 18 units/acre
- MUR-35 (Mixed Use Res. - 35' height)
- R-24; 24 units/acre
- R-48; 48 units/acre
- MUR-45 (Mixed Use Res. - 45' height)
- CB; Community Business
- MB; Mixed Business
- MUR-85 (Mixed Use Res - 85' height)
- Light Rail Alignment
- Study Area Boundary



ATTACHMENT B: 5TH AVENUE EMPHASIS

145TH STATION SUBAREA POTENTIAL ZONING SCENARIO

- Park
- Parcel
- TC-1 to TC-4; Town Center
- R-8; 6 units/acre
- R-8; 8 units/acre
- R-12; 12 units/acre
- R-18; 18 units/acre
- MUR-35 (Mixed Use Res. - 35' height)
- R-24; 24 units/acre
- R-48; 48 units/acre
- MUR-45 (Mixed Use Res. - 45' height)
- CB; Community Business
- MB; Mixed Business
- MUR-85 (Mixed Use Res - 85' height)
- Light Rail Alignment
- Study Area Boundary



ATTACHMENT C: 155TH STREET EMPHASIS

145TH STATION SUBAREA POTENTIAL ZONING SCENARIO

- Park
- Parcel
- TC-1 to TC-4; Town Center
- R-6; 6 units/acre
- R-8; 8 units/acre
- R-12; 12 units/acre
- R-18; 18 units/acre
- MUR-35 (Mixed Use Res. - 35' height)
- R-24; 24 units/acre
- R-48; 48 units/acre
- MUR-45 (Mixed Use Res. - 45' height)
- CB; Community Business
- MB; Mixed Business
- MUR-85 (Mixed Use Res. - 85' height)
- Light Rail Alignment
- Study Area Boundary



ATTACHMENT D: 5TH AVENUE & 155TH STREET EMPHASIS

145TH STATION SUBAREA POTENTIAL ZONING SCENARIO

- Park
- Parcel
- TC-1 to TC-4; Town Center
- R-8; 6 units/acre
- R-8; 8 units/acre
- R-12; 12 units/acre
- R-18; 18 units/acre
- MUR-35 (Mixed Use Res. - 35' height)
- R-24; 24 units/acre
- R-48; 48 units/acre
- MUR-45 (Mixed Use Res. - 45' height)
- CB; Community Business
- MB; Mixed Business
- MUR-85 (Mixed Use Res. - 85' height)
- Light Rail Alignment
- Study Area Boundary



ATTACHMENT E: NO CORRIDOR EMPHASIS

145TH STATION SUBAREA POTENTIAL ZONING SCENARIO

- Park
- Parcel
- TC-1 to TC-4; Town Center
- R-6; 6 units/acre
- R-8; 8 units/acre
- R-12; 12 units/acre
- R-18; 18 units/acre
- MUR-35 (Mixed Use Res. - 35' height)
- R-24; 24 units/acre
- R-48; 48 units/acre
- MUR-45 (Mixed Use Res. - 45' height)
- CB; Community Business
- MB; Mixed Business
- MUR-85 (Mixed Use Res. - 85' height)
- Light Rail Alignment
- Study Area Boundary



← To Interurban Trail

To Burke Gilman Trail →

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of Ordinance No. 694 - Amendment to Chapter 3.27 of the Shoreline Municipal Code for Technical Corrections to the Property Tax Exemption Program		
DEPARTMENT:	City Attorney's Office		
PRESENTED BY:	Julie Ainsworth-Taylor		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Discussion	

PROBLEM/ISSUE STATEMENT:

Starting in 2002, the City Council adopted several ordinances authorizing a real property tax exemption as provided in RCW 84.14. A total of four ordinances were passed establishing the North City Business District and various areas in and adjacent to the Ridgecrest Commercial Planned Area as target areas for this exemption. None of these ordinances were codified.

In 2011, the City adopted Ordinance No. 624 which, for the first time, codified the Property Tax Exemption (PTE) program as Chapter 3.27 of the Shoreline Municipal Code (SMC). The North City Business District and the Ridgecrest Commercial Planned Area were not included within SMC 3.27.020, the section of the code that designates targeted areas.

Adoption of proposed Ordinance No. 694 (Attachment A), will clarify all of the targeted areas available for use under the City's PTE program and will create maps in the code that visually show the PTE target areas.

RESOURCE/FINANCIAL IMPACT:

No resource or financial impact is anticipated. The City's PTE Program has been available for use since 2002. The purpose of the ordinance is merely to codify those targeted areas that were inadvertently omitted from SMC 3.27 in 2011 but have remained available for property tax exemption.

RECOMMENDATION

No action is required as this item is for discussion purposes only. However, staff recommends that Council adopt proposed Ordinance No. 694 when it is brought back to Council.

Approved By: City Manager **DT** City Attorney **JA-T**

INTRODUCTION

Starting in 2002, the City Council adopted several ordinances authorizing a real property tax exemption as provided in RCW 84.14. A total of four ordinances were passed establishing the North City Business District and various areas in and adjacent to the Ridgecrest Commercial Planned Area as target areas for this exemption. None of these ordinances were codified.

In 2011, the City adopted Ordinance No. 624 which, for the first time, codified the Property Tax Exemption (PTE) program as Chapter 3.27 of the Shoreline Municipal Code (SMC). However, despite staff reports and council minutes to the contrary, the North City Business District and the Ridgecrest Commercial Planned Area were not included within SMC 3.27.020, the section of the code that designates targeted areas.

Currently, unless a developer is expressly aware of the prior enactments, review of SMC 3.27 would result in the conclusion that the exemption is applicable to only those areas listed in SMC 3.27.020. Adoption of proposed Ordinance No. 694 (Attachment A), will clarify all of the targeted areas available for use under the City's PTE program.

BACKGROUND

In November 2002, the City Council passed Ordinance No. 310. This ordinance established a 10-year exemption from real property taxation for multi-family housing within the North City Business District, as defined in SMC 20.90.020. This ordinance was not codified.

In March 2008, the City Council passed Ordinance No. 496. This ordinance expanded the PTE program to three portions of the Ridgecrest Commercial Planned Area (CPA) and to residential areas designated R-18 and R-24 adjacent to those portions of the Ridgecrest CPA. This ordinance was not codified.

In December 2011, the City Council passed Ordinance No. 624. The intent of this ordinance was to expand the PTE program to five (5) additional areas within the City. These areas are: the Aurora Avenue North Corridor, including a portion of Westminster Way North; the Ballinger Way NE commercial area; the Hillwood commercial area; the Richmond Beach commercial area; and the commercial area associated with the intersection of NE 145th Street with Bothell Way NE and 15th Avenue NE. Exhibits included as City Clerk Receiving No. 6,645 delineate these areas. This ordinance was codified as SMC 3.27. Ordinance No. 624 did not repeal any of the prior enactments.

When adopting Ordinance No. 624, it is clear that the City Council considered expanding the previously designated target area of the PTE Program during several of its regular meetings. The Staff Reports for the September 26, 2011, November 28, 2011, and December 12, 2011 meetings state that the intent of Ordinance No. 624 was to expand the PTE program beyond what had been currently offered in North City and Ridgecrest. Staff reports for these meetings are available at the following links:

Sept. 26:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport092611-9c.pdf>

Nov. 28:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport112811-8d.pdf>

Dec. 12:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/Council/Staffreports/2011/Staffreport121211-8a.pdf>

During these meetings, the City Council thoroughly deliberated which areas of the City the PTE program should be extended into but, at no time, was the elimination of the North City and Ridgecrest target areas considered. In fact, at the November 28 meeting, Economic Development Director Dan Eernisse specifically recommended retaining North City and Ridgecrest. Minutes of these meetings are available at the following links:

Sept. 26:

http://shoreline.granicus.com/DocumentViewer.php?file=shoreline_2cbe6bd4f5bff1e34e23de3f670dc434.htm&view=1

Nov. 28:

http://shoreline.granicus.com/DocumentViewer.php?file=shoreline_50cb93081ea36bffd b98f8bd32e288fc.htm&view=1

Dec. 12:

http://shoreline.granicus.com/DocumentViewer.php?file=shoreline_e9dad1cc01573d367710a78ec6aed52.htm&view=1

DISCUSSION

The purpose and function of the PTE program is not at issue. As stated above, the omission of the North City and Ridgecrest target areas was an error that needs to be corrected. The proposed amendment is intended solely to reflect the previous intent to retain the North City Business District and certain areas in/adjacent to the Ridgecrest Commercial Planned Area in this program. The amendment would codify these areas within SMC 3.27 so that all developers and/or property owners are fully aware of the development incentives available to them.

Upon Council suggestion, staff also recommends that maps of all of the codified PTE target areas also be codified as part of proposed Ordinance No. 694. While maps of the PTE target areas were attached to Ordinance No. 624 when it was adopted at the end of 2011, these maps were not put into the code. Rather, they were shown as exhibits to the ordinance and given a City Clerk's receiving number for reference. Although someone reviewing the code could work with the City Clerk to locate these maps, this practice is not very user friendly and separates the maps from the code language establishing the target areas. Similarly Ordinance No. 310 that established the North

City Business District PTE target area refers back to the Development Code for the map of that target area.

Given this, staff has put together draft PTE target area maps for Council review using the Council adopted maps of these areas. These maps, which have been further highlighted for clarity, are attached to this staff report as Attachment B. While staff was hoping to have GIS-created "clean" maps available for this staff report, given the timing of the addition of the maps, the attached draft maps were all that could be produced for tonight's discussion. However, when proposed Ordinance No. 694 is brought back for Council adoption, finalized maps showing the PTE target areas will be included. These maps will then be codified along with the other corrections in Ordinance No. 694.

COUNCIL GOAL(S) ADDRESSED

The 2011 Staff Reports listed the PTE Program as addressing Council Goals 1 and 3. At that time, Goal 1 sought to implement the Community Vision by partnering with businesses and Goal 3 sought to improve economic development opportunities in Shoreline.

Today, the Council continues to seek ways in promote economic development. The 2014-2016 Council Goal 1 states: Strengthen Shoreline's economic base. Action steps related to this goal include implementing marketing strategies to promote Shoreline as a progressive and desirable community for new residents, investors, and businesses and to enhance the attractiveness of Shoreline as a place for private investment.

In addition to these goals, the continued provision of the PTE program to all eligible areas of the City is consistent with the City's Comprehensive Plan, Element 5 Economic Development, which seeks to encourage, enhance, and promote economic vitality within the community.

RESOURCE/FINANCIAL IMPACT

No resource or financial impact is anticipated. The City's PTE Program has been available for use since 2002. The purpose of the ordinance is merely to codify those targeted areas that were inadvertently omitted when the PTE program was codified in 2011 but have remained available for property tax exemption.

RECOMMENDATION

No action is required as this item is for discussion purposes only. However, staff recommends that Council adopt proposed Ordinance No. 694 when it is brought back to Council.

ATTACHMENTS

Attachment A: Proposed Ordinance No. 694
Attachment B Draft PTE Target Area Maps

ORDINANCE NO. 694

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON AMENDING SHORELINE MUNICIPAL CODE, CHAPTER 3.27 PROPERTY TAX EXEMPTION, TO CORRECT THE PREVIOUS OMISSION OF THE NORTH CITY BUSINESS DISTRICT, CERTAIN AREAS OF THE RIDGECREST COMMERCIAL PLANNED AREA, AND CERTAIN RESIDENTIAL AREAS ADJACENT TO THE RIDGECREST COMMERCIAL PLANNED AREA, AS RESIDENTIAL TARGETED AREAS.

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington (hereinafter referred to as “City”); and

WHEREAS, the City has previously adopted Ordinance Numbers 310, 479, 496, and 520 providing for a Property Tax Exemption Program within areas of the City, specifically denoting the North City Business District and certain areas of and/or adjacent to the Ridgecrest Commercial Planned Area as designated residential target areas; none of these ordinances were codified; and

WHEREAS, on December 12, 2011, the City Council adopted Ordinance Number 624, codifying the Property Tax Exemption Program by establishing a new chapter of the Shoreline Municipal Code (SMC) Chapter 3.27; and

WHEREAS, the intent of Ordinance Number 624, as demonstrated by Staff Reports and Council Minutes, was to expand the existing designated residential target areas by adding five (5) additional areas; and

WHEREAS, due to a drafting error, neither the North City Business District nor the applicable areas of the Ridgecrest Commercial Planned Area or adjacent residential areas were designated as a residential target area in SMC Chapter 3.27; and

WHEREAS, the City Council has determined that this error needs to be corrected; now therefore,

THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:

Section 1. Amendment to Shoreline Municipal Code. Shoreline Municipal Code, Title 3, Section 3.27.020 shall be amended as follows providing for a property tax exemption within the North City Business District, within certain areas of the Ridgecrest Commercial Planned Area, and within residential areas designated R-18 and R-24 adjacent to the Ridgecrest Commercial Planned Area:

3.27.020 Designation of residential targeted area.

The following areas, ~~as shown in Exhibits 1 through 5 to the ordinance codified in this chapter, given Clerk's Receiving Number 6645 _____,~~ are designated as residential targeted areas as shown on the maps accompanying the ordinance codified in this section:

- A. Aurora Avenue North Corridor, including a portion of Westminster Way N;
- B. Ballinger Way NE commercial area;
- C. Hillwood commercial area;
- D. Richmond Beach commercial area;
- E. The commercial areas associated with the intersections of NE 145th St. with Bothell Way NE and 15th Ave. NE;
- F. North City Business District;
- G. Ridgecrest Commercial Planned Area 2(a), 2(e), and 2(d); Business District and the residential areas designated R-18 and R-24 adjacent to the denoted Ridgecrest Commercial Business District.

Section 2. Severability. If any section, sentence, clause, or phrase of this Ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Ordinance.

Section 3. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication.

PASSED BY THE CITY COUNCIL ON SEPTEMBER 15, 2014.

Mayor Shari Winstead

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Julie Ainsworth-Taylor
Interim City Attorney

Date of Publication: , 2014
Effective Date: , 2014



Map 1: North City Business District (NCBD) Zoning

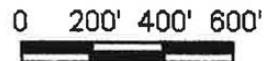
Attachment B







ORD. #310









ZONING LEGEND

-  North City Business District Zone
-  Zone Boundary



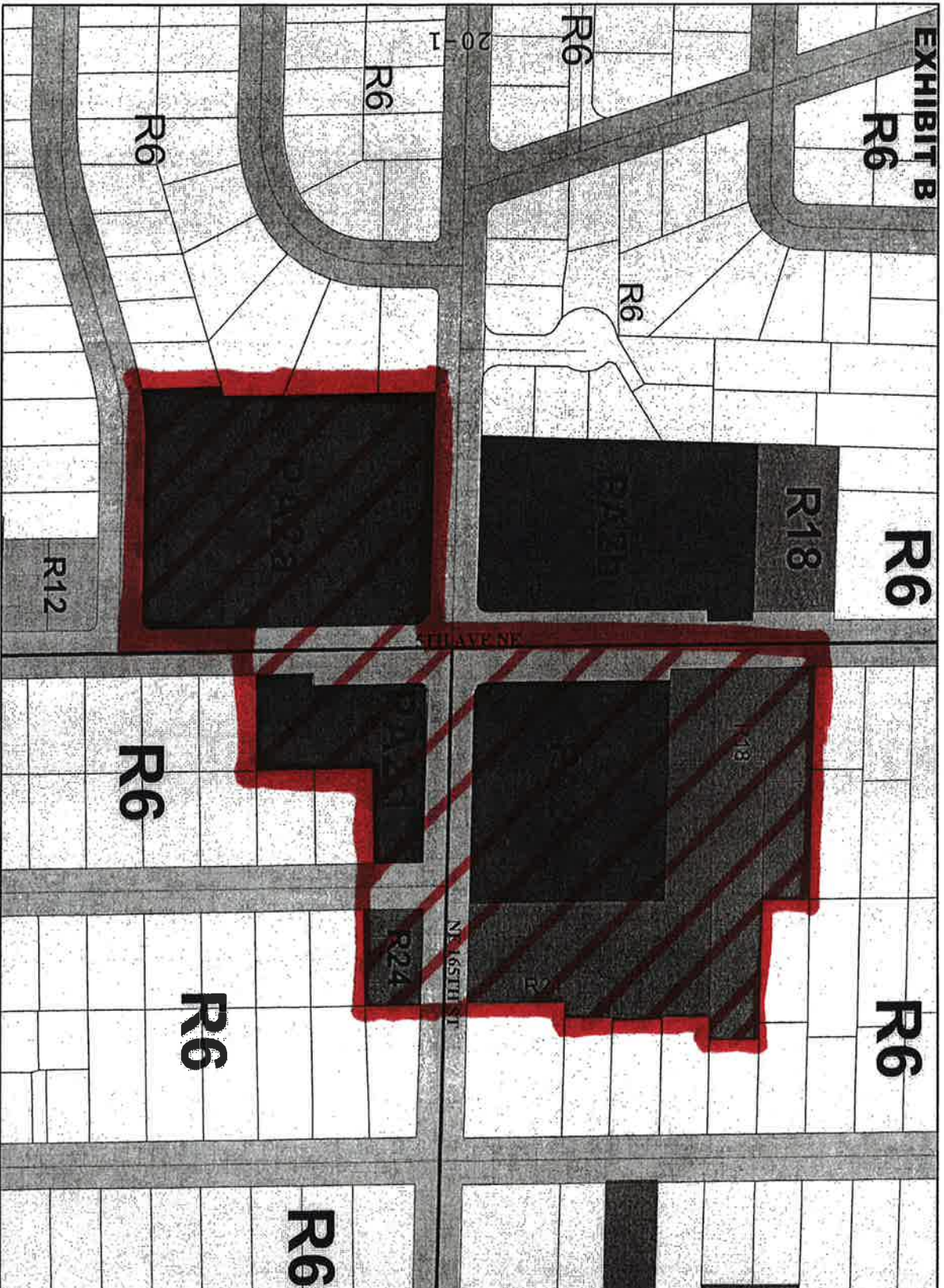
-  NB; Neighborhood Business
-  CB; Community Business
-  RB; Regional Business
-  O; Office
-  I; Industrial
-  CZ; Contract Zone

-  R-4; Residential, 4 units/acre
-  R-6; Residential, 6 units/acre
-  R-8; Residential, 8 units/acre
-  R-12; Residential, 12 units/acre
-  R-16; Residential, 16 units/acre
-  R-24; Residential, 24 units/acre
- R-48; Residential, 48 units/acre



RIDECREST Commercial/Residential

ORD. No. 496



SHORELINE
 Geographic Information System
Proposed Zoning
Planned Area 2
 Representation of Official
 Zoning Map Adopted By
 City Ordinance No. 292
 Shows amendments through
 April 3, 2007.

Zoning Designation

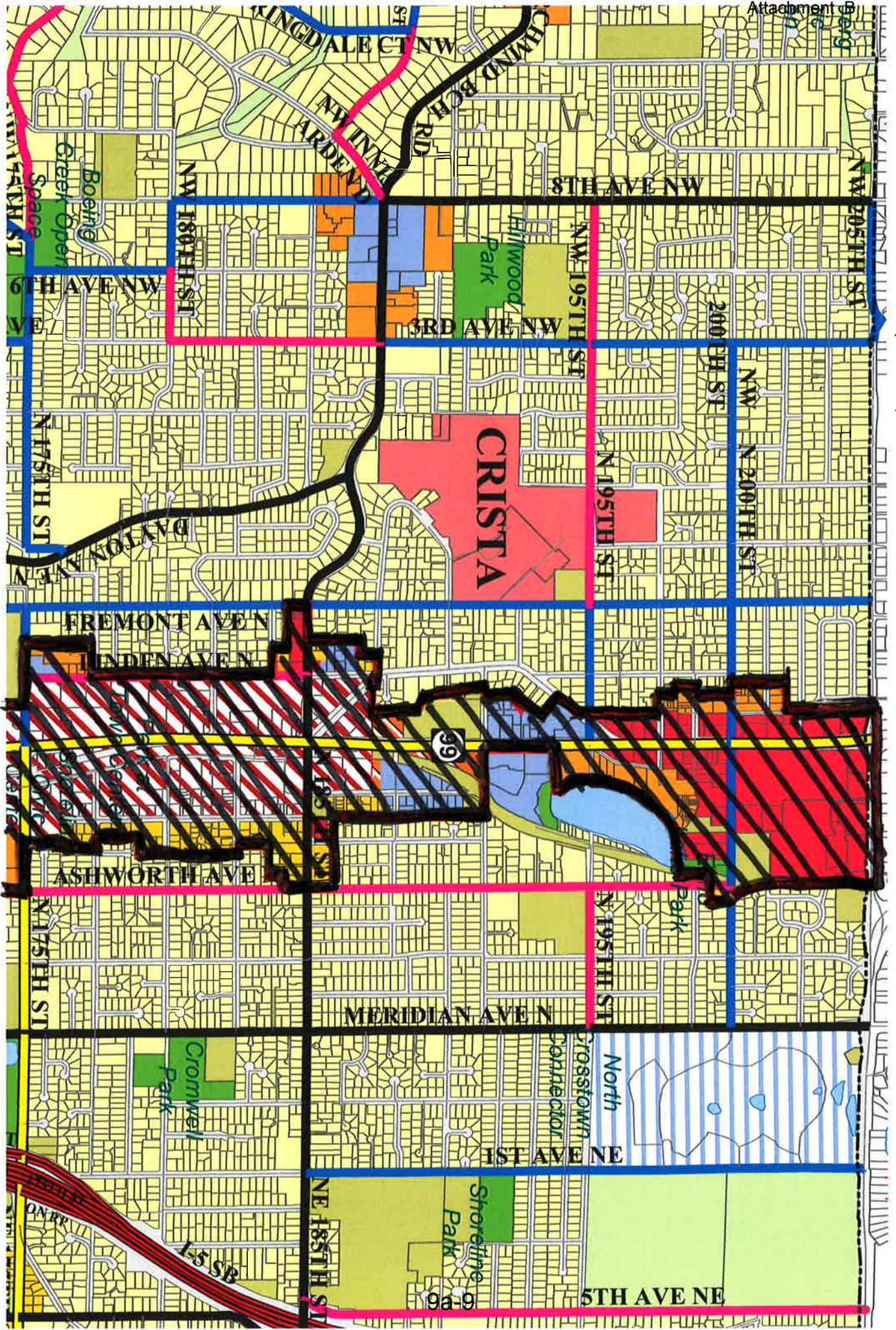
- P-2: Planned Area 2
- R-4: Residential, 4 units/acre
- R-6: Residential, 6 units/acre
- R-8: Residential, 8 units/acre
- R-12: Residential, 12 units/acre
- R-18: Residential, 18 units/acre
- R-24: Residential, 24 units/acre
- R-48: Residential, 48 units/acre
- O: Office
- NS: Neighborhood Business
- CB: Community Business
- NCBD: North City Business District
- RB: Regional Business
- I: Industrial
- CZ: Contract Zone
- Regional Business-Contract Zone

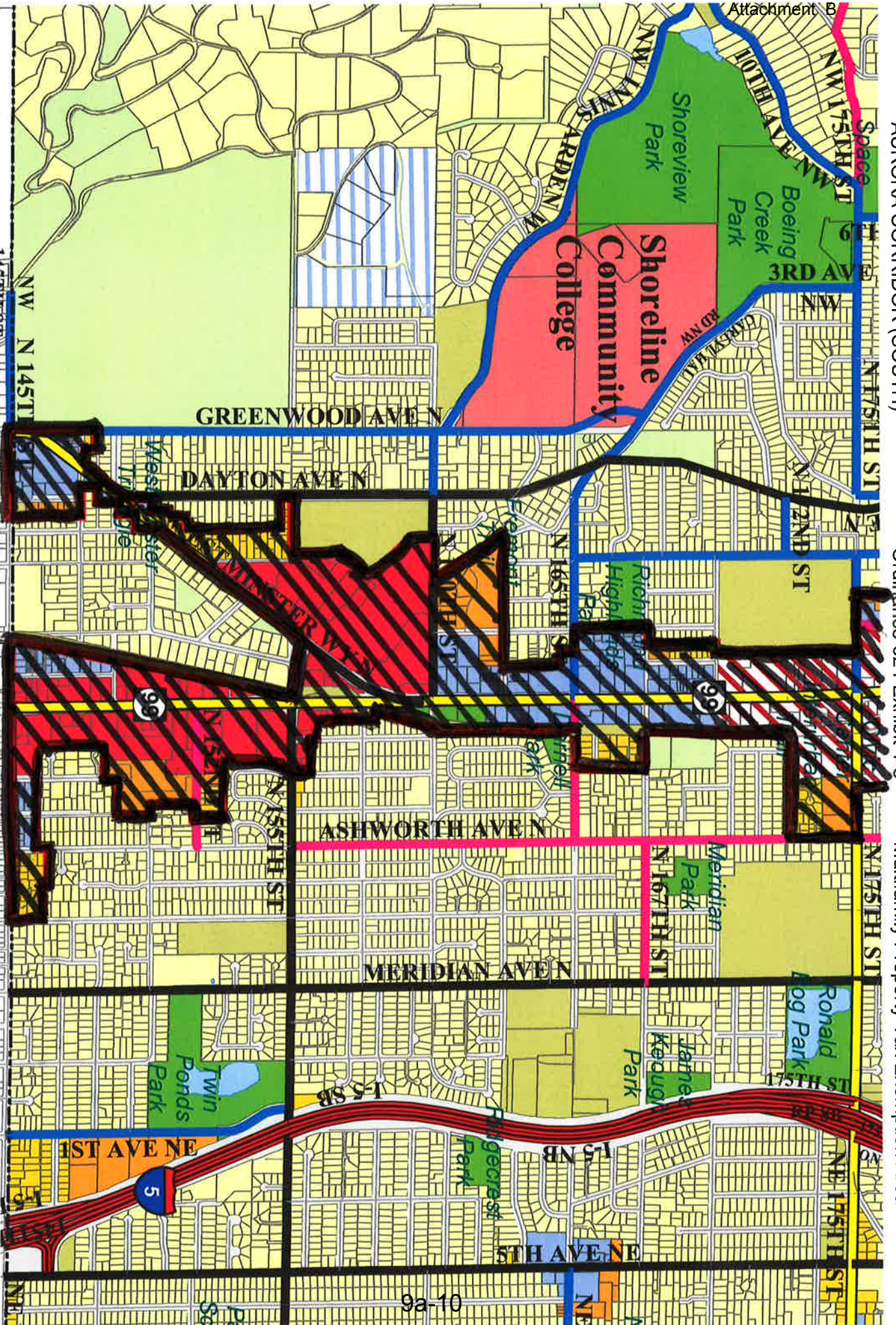
Other Map Features

- City Boundary
- Open Water
- Outside Shoreline
- Inlets
- Principal Arterial
- Minor Arterial
- Collector/Arterial
- Neighborhood Collector
- Local Street
- Park
- Tax Parcel Boundary
- Indemnities Right-of-Way

Scale: 1 inch equals 150 feet
 0 30 60 120 180 240 Feet

SHORELINE
 No warranties of any sort, including accuracy, fitness, or merchantability, accompany this product.
 Shoreline GIS/Map Services, Planning and
 Update: 8/10/2007

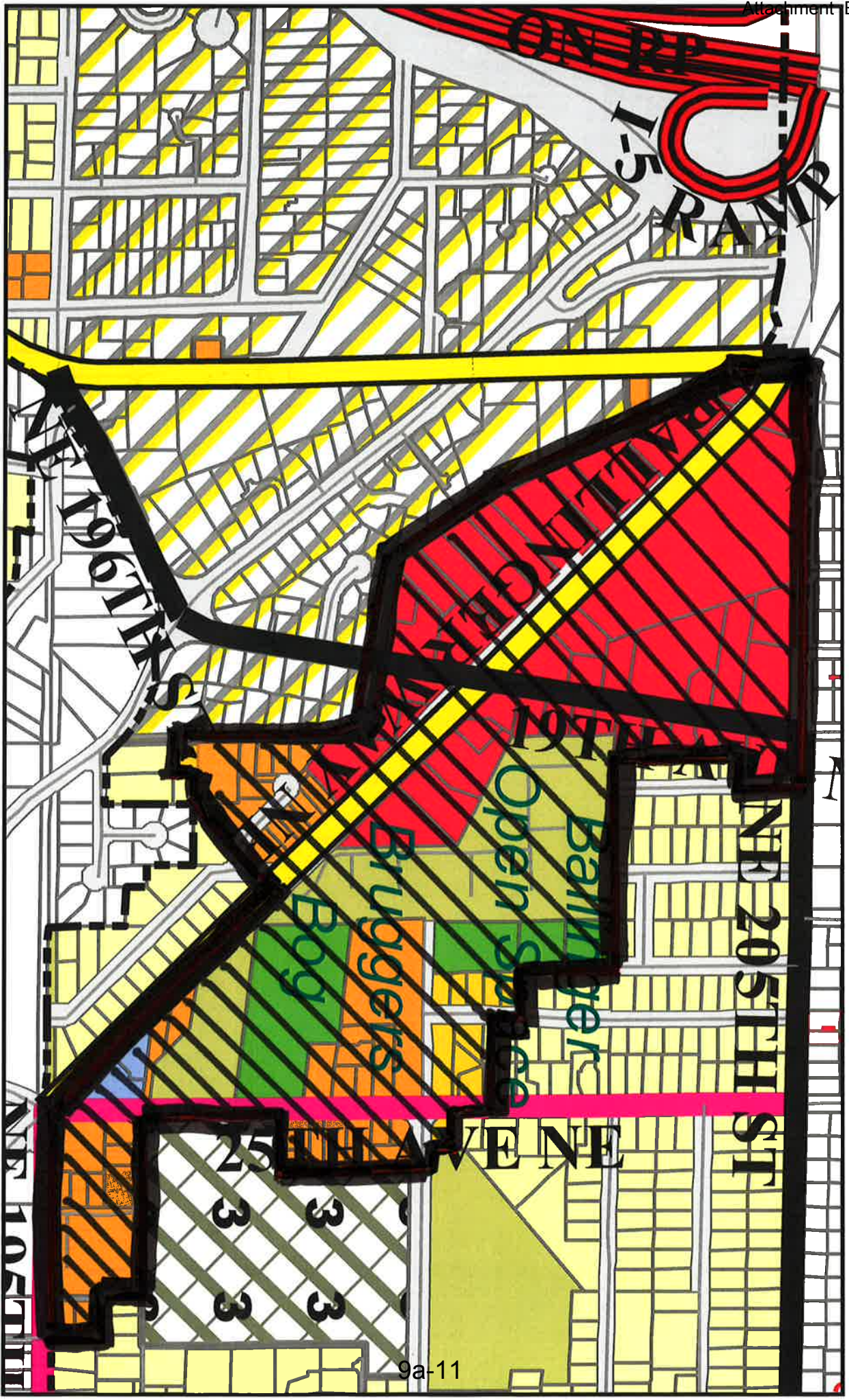




BALLINGER

Ordinance 624 Exhibit 1-5

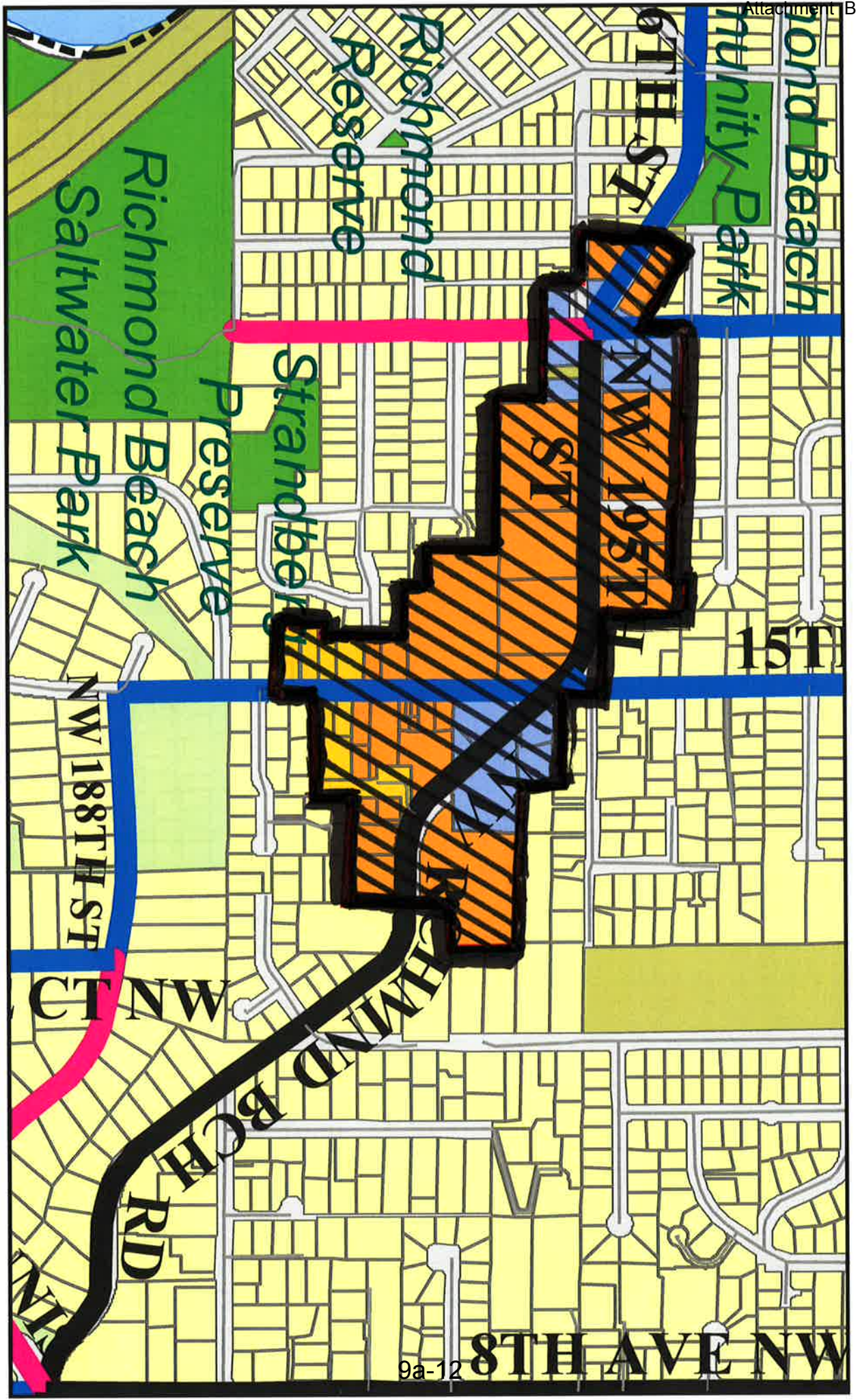
Multifamily Property Tax Exemption Area

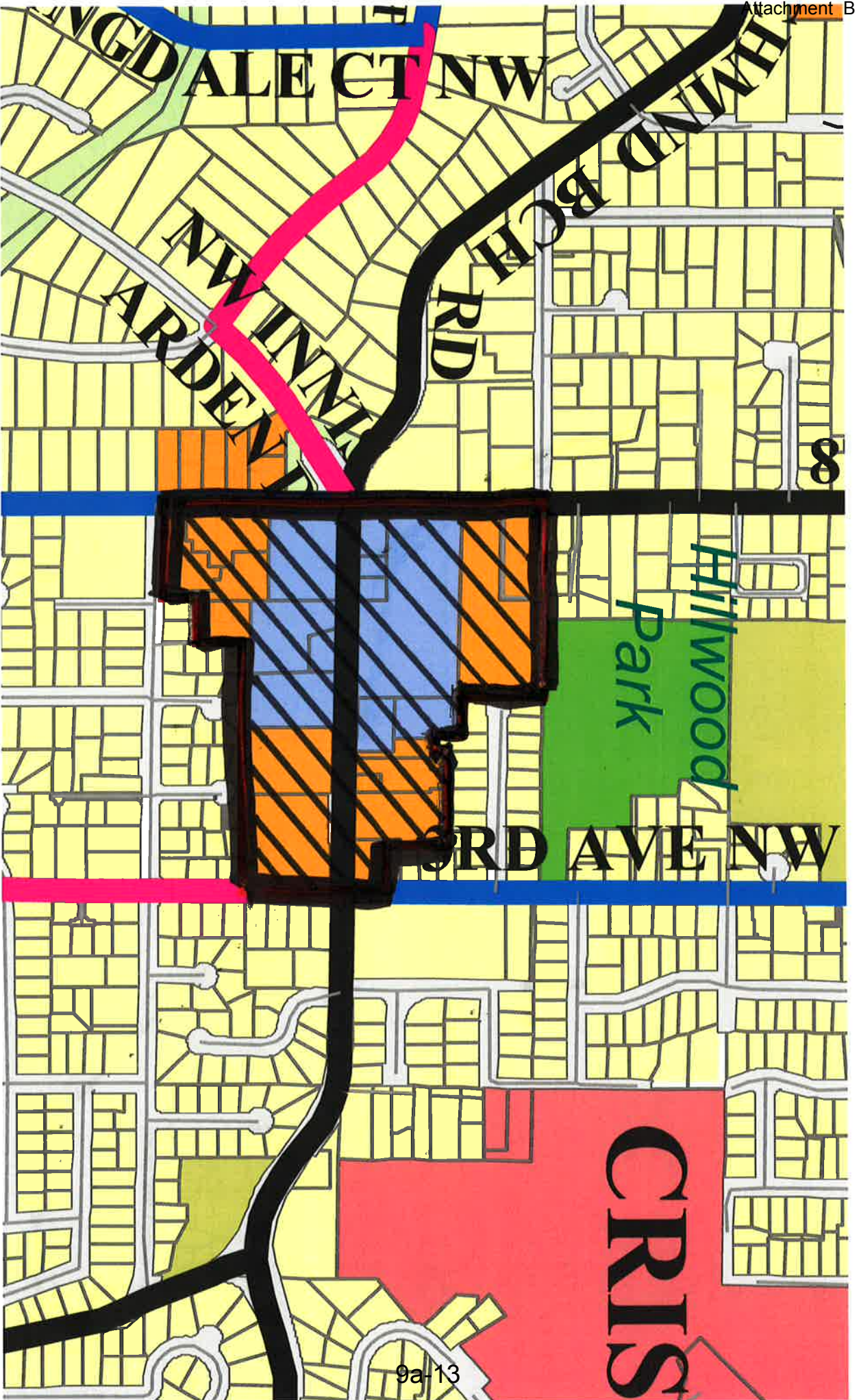


City of Shoreline
Office of Economic Development

17500 Midvale Ave N, Shoreline WA 98133
(206) 801-2218

DRAFT December 2011

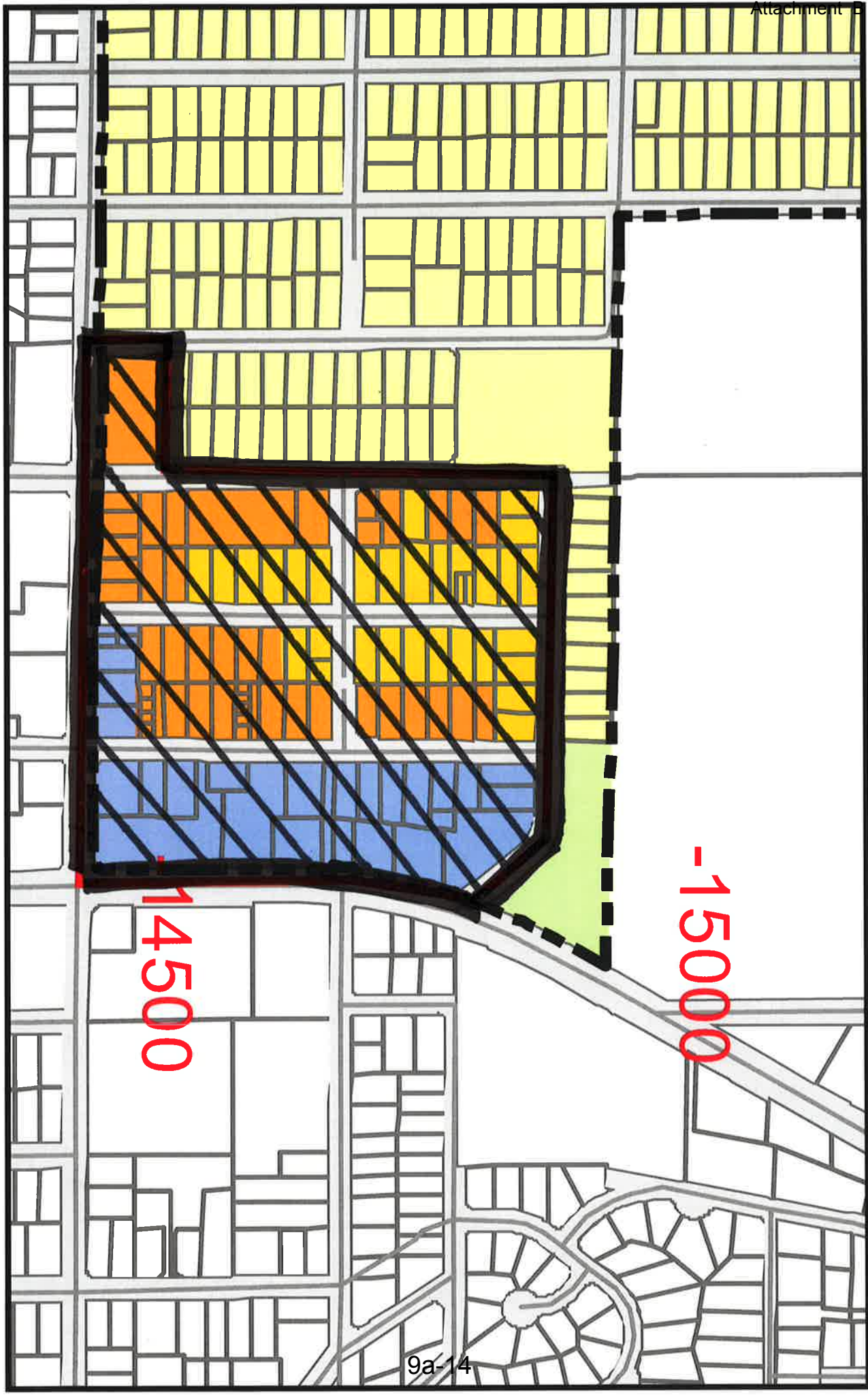




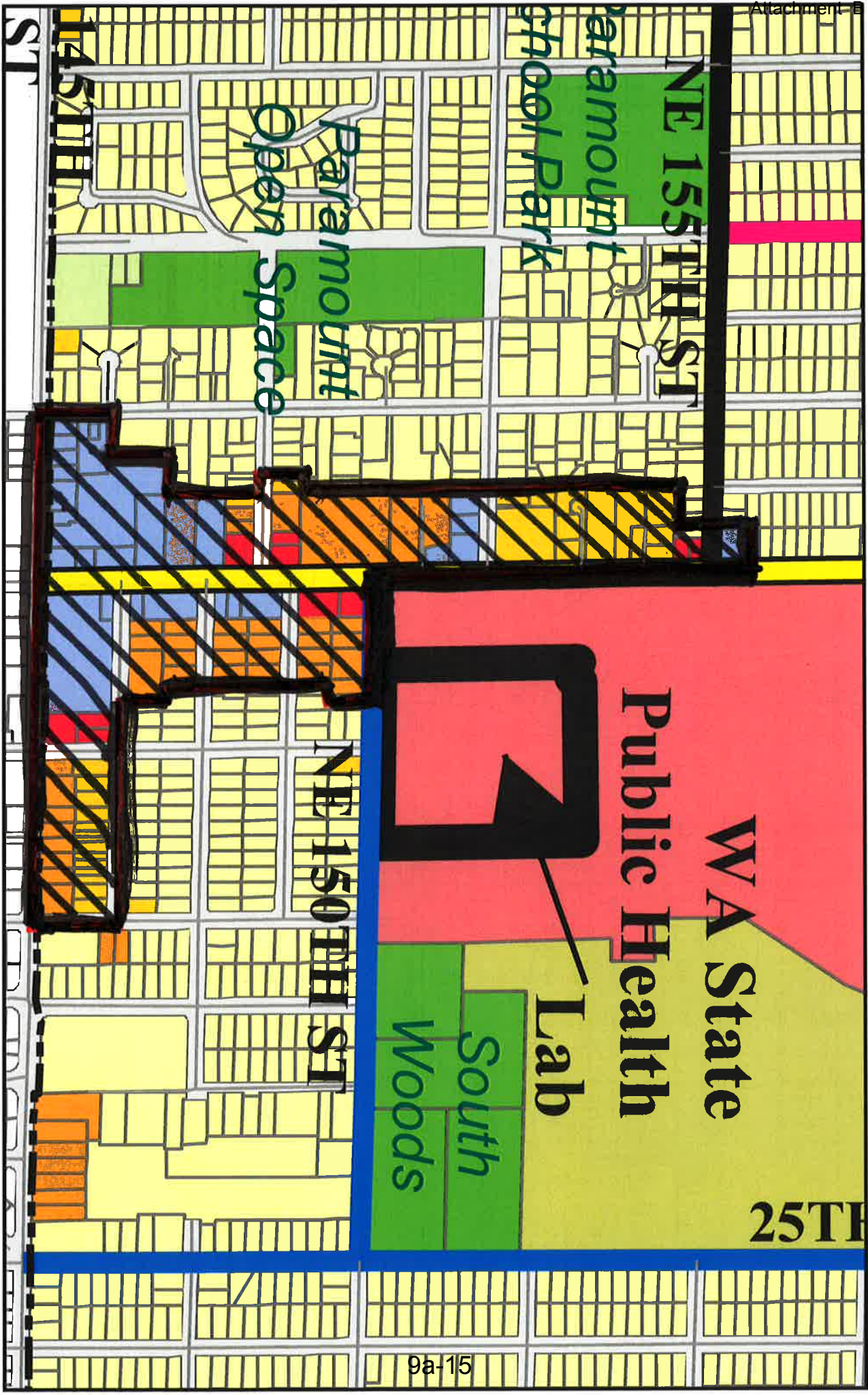
SE NEIGHBORHOODS (EAST)

Ordinance 624 Exhibit 1-5

Multifamily Property Tax Exemption Area



Attachment B



CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	2014 Second Quarter Financial Report		
DEPARTMENT:	Administrative Services		
PRESENTED BY:	Robert Hartwig, Administrative Services Director		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

The 2014 second quarter financial report is included as Attachment A to this staff report. The financial report summarizes the financial activities during the first six months of 2014 for all City funds with detailed information provided on the General Fund, Street Fund, Surface Water Utility Fund, General Capital Fund, and Roads Capital Fund. It is provided to keep the Council informed of the financial position of the City each quarter.

As can be seen in the attached report, the results for the first six months are positive. General Fund revenues were higher than expenditures by \$216,000. Budgeted use of fund balance through the end of the year is currently about \$2.5 million, which is a favorable variance of over \$2.7 million. While this figure is expected to narrow in the last six months, staff still expects a favorable variance at the end of 2014.

RESOURCE/FINANCIAL IMPACT:

The table on page 2 of this staff report provides a summary of the financial results for all City funds for the first six months of 2014. At this time staff believes that the City will end 2014 with a favorable budget variance, using significantly less fund balance than is currently budgeted.

RECOMMENDATION

No action is required by the Council. This item is provided for informational purposes only.

Approved By: City Manager *DT* City Attorney *JA-T*

ATTACHMENTS

Attachment A – 2014 Second Quarter Financial Report

2014 Financial Results Summary for All City Funds

Revenues								
Fund	2014 Current Budget	2014 2nd Quarter Actual	2014 % of Current Budget	2013 Current Budget	2013 Second Quarter Actual	2013 % of Current Budget	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
General Fund	\$36,843,013	\$15,609,625	42.4%	\$ 34,877,599	\$ 14,888,449	42.7%	\$ 721,176	4.8%
Street Fund	\$1,999,037	\$1,323,290	66.2%	\$ 2,217,696	\$ 1,026,812	46.3%	\$ 296,478	28.9%
Code Abatement Fund	\$100,000	\$727	0.7%	\$ 100,000	\$ 117	0.1%	\$ 610	521.4%
State Drug Enforcement Fund	\$13,800	\$36,206	262.4%	\$ 13,800	\$ 66,810	484.1%	\$ (30,604)	-45.8%
Public Arts Fund	\$55,051	\$1,115	2.0%	\$ 70,000	\$ 192	0.3%	\$ 923	480.7%
Federal Drug Enforcement Fund	\$20,750	\$49,773	239.9%	\$ 20,750	\$ 30,379	146.4%	\$ 19,394	63.8%
Property Tax Equalization Fund	\$0	\$552	0.0%	\$ -	\$ 916	0.0%	\$ (364)	-39.7%
Federal Crime Forfeitures Fund	\$316,310	\$832	0.3%	\$ 147,000	\$ 1,205,361	820.0%	\$ (1,204,529)	-99.9%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$ -	\$ 1,859	0.0%	\$ (1,859)	-100.0%
Unltd Tax GO Bond Fund	\$1,710,000	\$895,049	52.3%	\$ 1,705,050	\$ 788,897	46.3%	\$ 106,152	13.5%
Limited Tax GO Bond 2009 Fund	\$1,662,567	\$967,765	58.2%	\$ 1,660,567	\$ 875,854	52.7%	\$ 91,911	10.5%
General Capital Fund	\$4,878,471	\$524,096	10.7%	\$ 5,974,435	\$ 423,424	7.1%	\$ 100,672	23.8%
City Facility-Major Maint. Fund	\$115,392	\$35,086	30.4%	\$ 218,797	\$ 35,211	16.1%	\$ (125)	-0.4%
Roads Capital Fund	\$23,642,942	\$5,512,582	23.3%	\$ 20,410,625	\$ 3,067,590	15.0%	\$ 2,444,992	79.7%
Surface Water Utility Fund	\$5,602,951	\$1,802,992	32.2%	\$ 5,208,385	\$ 1,798,507	34.5%	\$ 4,485	0.2%
Vehicle Operations/ Maint. Fund	\$245,273	\$230,338	93.9%	\$ 213,635	\$ 198,487	92.9%	\$ 31,851	16.0%
Equipment Replacement Fund	\$482,666	\$269,321	55.8%	\$ 516,696	\$ 362,406	70.1%	\$ (93,085)	-25.7%
Unemployment Fund	\$17,500	\$8,778	50.2%	\$ 17,500	\$ 8,784	50.2%	\$ (6)	-0.1%
Totals	\$77,705,723	\$27,268,127	35.1%	\$ 73,372,535	\$ 24,780,055	33.8%	\$ 2,488,072	10.0%
Transportation Benefit District	\$788,613	\$330,603	41.9%	\$ 919,200	\$ 328,250	35.7%	\$ 2,353	0.7%

Expenditures								
Fund	2014 Current Budget	2014 2nd Quarter Actual	2014 % of Current Budget	2013 Current Budget	2013 Second Quarter Actual	2013 % of Current Budget	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
General Fund	\$36,843,011	\$15,393,366	41.8%	\$ 34,877,601	\$ 14,349,901	41.1%	\$ 1,043,465	7.3%
Street Fund	\$1,999,037	\$698,404	34.9%	\$ 2,217,696	\$ 949,600	42.8%	\$ (251,196)	-26.5%
Code Abatement Fund	\$100,000	\$0	0.0%	\$ 100,000	\$ 2,175	2.2%	\$ (2,175)	-100.0%
State Drug Enforcement Fund	\$13,800	\$12,381	89.7%	\$ 13,800	\$ 725	5.3%	\$ 11,656	1607.7%
Public Arts Fund	\$55,051	\$4,913	8.9%	\$ 70,000	\$ 4,990	7.1%	\$ (77)	-1.5%
Federal Drug Enforcement Fund	\$20,750	\$0	0.0%	\$ 20,750	\$ 569	2.7%	\$ (569)	-100.0%
Property Tax Equalization Fund	\$0	\$0	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%
Federal Crime Forfeitures Fund	\$316,310	\$7,519	2.4%	\$ 147,000	\$ 9,904	6.7%	\$ (2,385)	-24.1%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$ -	\$ -	0.0%	\$ -	0.0%
Unltd Tax GO Bond Fund	\$1,709,050	\$228,327	13.4%	\$ 1,705,050	\$ 252,326	14.8%	\$ (23,999)	-9.5%
Limited Tax GO Bond 2009 Fund	\$1,662,567	\$591,013	35.5%	\$ 1,660,567	\$ 597,033	36.0%	\$ (6,020)	-1.0%
General Capital Fund	\$4,878,471	\$835,021	17.1%	\$ 5,974,435	\$ 529,039	8.9%	\$ 305,982	57.8%
City Facility-Major Maint. Fund	\$90,000	\$6,023	6.7%	\$ 218,797	\$ 12,635	5.8%	\$ (6,612)	-52.3%
Roads Capital Fund	\$23,603,999	\$6,302,435	26.7%	\$ 20,410,625	\$ 2,181,810	10.7%	\$ 4,120,625	188.9%
Surface Water Utility Fund	\$5,602,951	\$1,824,060	32.6%	\$ 5,208,385	\$ 1,733,184	33.3%	\$ 90,876	5.2%
Vehicle Operations/ Maint. Fund	\$245,273	\$62,573	25.5%	\$ 213,635	\$ 58,664	27.5%	\$ 3,909	6.7%
Equipment Replacement Fund	\$269,253	\$0	0.0%	\$ 244,090	\$ 27,768	11.4%	\$ (27,768)	-100.0%
Unemployment Fund	\$17,500	\$0	0.0%	\$ 17,500	\$ -	0.0%	\$ -	0.0%
Totals	\$77,427,023	\$25,966,035	33.5%	\$ 73,099,931	\$ 20,710,323	28.3%	\$ 5,255,712	25.4%
Transportation Benefit District	\$788,613	\$634,340	80.4%	\$ 919,200	\$ 696,859	75.8%	\$ (62,519)	-9.0%



2014 SECOND QUARTER FINANCIAL REPORT

September 2014

PERFORMANCE AT A GLANCE

GENERAL FUND REVENUES	COMPARED TO 2014 PROJECTIONS	REFERENCE
Property Tax Revenue	◀NEUTRAL▶	Page 4
Sales Tax Revenue	▲ POSITIVE ▲	Pages 5-6
Utility Tax Revenue	◀NEUTRAL▶	Page 10
Development Revenue	▲ POSITIVE ▲	Page 11
Park and Recreation Revenue	▲ POSITIVE ▲	Page 12
Investment Income	▲ POSITIVE ▲	Page 13
EXPENDITURES		
General Fund Expenditures	▲ POSITIVE ▲	Page 14
NON-GENERAL FUND REVENUES		
Surface Water Fees	▲ POSITIVE ▲	Page 16
Fuel Tax	◀NEUTRAL▶	Page 19
Real Estate Excise Tax	▲ POSITIVE ▲	Page 19

Key to revenue trend indicators:

- ▲ POSITIVE ▲ = Positive variance of >+2% compared to projections.
- ◀ NEUTRAL ▶ = Variance of -1% to +2% compared to projections.
- WARNING ● = Negative variance of -1% to -4% compared to projections.
- ▼ NEGATIVE ▼ = Negative variance of >-4% compared to projections.

CITY FINANCIAL OVERVIEW

General Fund receipts and expenditures are higher than the year-ago level by \$721,176, or 4.8%, and \$1,043,465, or 7.3%, respectively.

Street Fund receipts, including transfers in, totaling \$1,323,290 are \$296,478, or 28.9%, higher than the year-ago level. Street Fund expenditures, including transfers out, totaling \$698,404 are \$251,196, or 26.5%, lower than the year-ago level.

Surface Water Utility (SWM) Fund receipts totaling \$1,802,992 are \$4,485, or 0.2%, higher than the year-ago level. SWM Fund expenditures totaling \$1,824,060 are \$90,876, or 5.2%, higher than the year-ago level.

Real Estate Excise Tax receipts through June in the amount of \$936,710 are \$231,414, or 32.8%, higher than the year-ago level.

Street Fund Fuel Tax receipts, in the amount of \$525,271, are \$6,409, or 1.2%, higher than the year-ago level.

Revenues by Fund	2014 Current Budget	2014 Second Quarter Actual	2014 % of Current Budget	2013 Current Budget	2013 Second Quarter Actual	2013 % of Current Budget	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
General Fund	\$36,843,013	\$15,609,625	42.4%	\$34,877,599	\$14,888,449	42.7%	\$721,176	4.8%
Street Fund	\$1,999,037	\$1,323,290	66.2%	\$2,217,696	\$1,026,812	46.3%	\$296,478	28.9%
Code Abatement Fund	\$100,000	\$727	0.7%	\$100,000	\$117	0.1%	\$610	521.4%
State Drug Enforcement Fund	\$13,800	\$36,206	262.4%	\$13,800	\$66,810	484.1%	-\$30,604	-45.8%
Public Arts Fund	\$55,051	\$1,115	2.0%	\$70,000	\$192	0.3%	\$923	480.7%
Federal Drug Enforcement Fund	\$20,750	\$49,773	239.9%	\$20,750	\$30,379	146.4%	\$19,394	63.8%
Property Tax Equalization Fund	\$0	\$552	0.0%	\$0	\$916	0.0%	-\$364	-39.7%
Federal Crime Forfeitures Fund	\$316,310	\$832	0.3%	\$147,000	\$1,205,361	820.0%	-\$1,204,529	-99.9%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$0	\$1,859	0.0%	-\$1,859	-100.0%
Unltd Tax GO Bond Fund	\$1,710,000	\$895,049	52.3%	\$1,705,050	\$788,897	46.3%	\$106,152	13.5%
Limited Tax GO Bond 2009 Fund	\$1,662,567	\$967,765	58.2%	\$1,660,567	\$875,854	52.7%	\$91,911	10.5%
Limited Tax GO Bond 2013 Fund	\$260,823	\$103,979	39.9%	\$0	\$0	0.0%	\$103,979	0.0%
General Capital Fund	\$4,878,471	\$524,096	10.7%	\$5,974,435	\$423,424	7.1%	\$100,672	23.8%
City Facility-Major Maint. Fund	\$115,392	\$35,086	30.4%	\$218,797	\$35,211	16.1%	-\$125	-0.4%
Roads Capital Fund	\$23,642,942	\$5,512,582	23.3%	\$20,410,625	\$3,067,590	15.0%	\$2,444,992	79.7%
Surface Water Utility Fund	\$5,602,951	\$1,802,992	32.2%	\$5,208,385	\$1,798,507	34.5%	\$4,485	0.2%
Vehicle Operations/ Maint. Fund	\$245,273	\$230,338	93.9%	\$213,635	\$198,487	92.9%	\$31,851	16.0%
Equipment Replacement Fund	\$482,666	\$269,321	55.8%	\$516,696	\$362,406	70.1%	-\$93,085	-25.7%
Unemployment Fund	\$17,500	\$8,778	50.2%	\$17,500	\$8,784	50.2%	-\$6	-0.1%
Totals	\$77,966,546	\$27,372,106	35.1%	\$73,372,535	\$24,780,055	33.8%	\$2,592,051	10.5%
Transportation Benefit District	\$788,613	\$330,603	41.9%	\$919,200	\$328,250	35.7%	\$2,353	0.7%

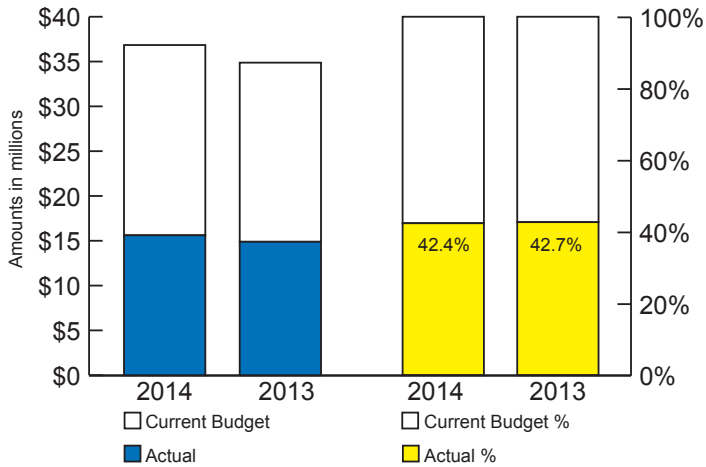
Expenditures by Fund	2014 Current Budget	2014 Second Quarter Actual	2014 % of Current Budget	2013 Current Budget	2013 Second Quarter Actual	2013 % of Current Budget	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
General Fund	\$36,843,011	\$15,393,366	41.8%	\$34,877,601	\$14,349,901	41.1%	\$1,043,465	7.3%
Street Fund	\$1,999,037	\$698,404	34.9%	\$2,217,696	\$949,600	42.8%	-\$251,196	-26.5%
Code Abatement Fund	\$100,000	\$0	0.0%	\$100,000	\$2,175	2.2%	-\$2,175	-100.0%
State Drug Enforcement Fund	\$13,800	\$12,381	89.7%	\$13,800	\$725	5.3%	\$11,656	1607.7%
Public Arts Fund	\$55,051	\$4,913	8.9%	\$70,000	\$4,990	7.1%	-\$77	-1.5%
Federal Drug Enforcement Fund	\$20,750	\$0	0.0%	\$20,750	\$569	2.7%	-\$569	-100.0%
Property Tax Equalization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Federal Crime Forfeitures Fund	\$316,310	\$7,519	2.4%	\$147,000	\$9,904	6.7%	-\$2,385	-24.1%
Revenue Stabilization Fund	\$0	\$0	0.0%	\$0	\$0	0.0%	\$0	0.0%
Unltd Tax GO Bond Fund	\$1,709,050	\$228,327	13.4%	\$1,705,050	\$252,326	14.8%	-\$23,999	-9.5%
Limited Tax GO Bond 2009 Fund	\$1,662,567	\$591,013	35.5%	\$1,660,567	\$597,986	36.0%	-\$6,973	-1.2%
Limited Tax GO Bond 2013 Fund	\$260,823	\$103,979	39.9%	\$1,660,567	\$0	0.0%	\$103,979	0.0%
General Capital Fund	\$4,878,471	\$835,021	17.1%	\$5,974,435	\$529,039	8.9%	\$305,982	57.8%
City Facility-Major Maint. Fund	\$90,000	\$6,023	6.7%	\$218,797	\$12,635	5.8%	-\$6,612	-52.3%
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Surface Water Utility Fund	\$5,602,951	\$1,824,060	32.6%	\$5,208,385	\$1,733,184	33.3%	\$90,876	5.2%
Vehicle Operations/ Maint. Fund	\$245,273	\$62,573	25.5%	\$213,635	\$58,664	27.5%	\$3,909	6.7%
Equipment Replacement Fund	\$269,253	\$0	0.0%	\$244,090	\$27,768	11.4%	-\$27,768	-100.0%
Unemployment Fund	\$17,500	\$0	0.0%	\$17,500	\$8	0.0%	-\$8	0.0%
Totals	\$77,687,846	\$26,070,014	33.6%	\$74,760,498	\$20,711,284	27.7%	\$5,358,730	25.9%
Transportation Benefit District	\$788,613	\$634,340	80.4%	\$919,200	\$696,859	75.8%	-\$62,519	-9.0%

GENERAL FUND REVENUE DETAIL

Revenue Source	2014 Current Budget	2014 Second Quarter Actual Revenue	2014 % of Current Budget Received	2013 Current Budget	2013 Second Quarter Actual Revenue	2013 % of Current Budget Received	2014 v. 2013 \$ Variance
Budgeted Fund Balance	\$2,536,444	\$0	0.0%	\$1,573,515	\$0	0.0%	\$0
Property Tax	\$10,245,815	\$5,420,438	52.9%	\$9,409,277	\$5,073,258	53.9%	\$347,180
Sales Tax	\$6,739,000	\$2,996,802	44.5%	\$6,574,800	\$2,989,414	45.5%	\$7,388
Local Criminal Justice	\$1,224,532	\$607,670	49.6%	\$1,171,779	\$565,986	48.3%	\$41,684
Utility Tax and Franchise Fee Revenue							
<i>Natural Gas</i>	\$889,590	\$504,160	56.7%	\$966,946	\$440,998	45.6%	\$63,162
<i>Garbage</i>	\$528,086	\$132,399	25.1%	\$497,977	\$127,911	25.7%	\$4,488
<i>Cable TV</i>	\$1,658,749	\$507,973	30.6%	\$1,531,846	\$567,331	37.0%	-\$59,358
<i>Telecommunications</i>	\$1,569,095	\$509,814	32.5%	\$1,704,878	\$508,978	29.9%	\$836
<i>Storm Drainage</i>	\$207,697	\$112,903	54.4%	\$201,648	\$109,236	54.2%	\$3,667
<i>Water</i>	\$754,197	\$209,824	27.8%	\$715,327	\$56,157	7.9%	\$153,667
<i>Sewer</i>	\$809,711	\$404,000	49.9%	\$786,127	\$392,000	49.9%	\$12,000
Utility Tax and Franchise Fee Revenue Subtotal	\$6,417,125	\$2,381,073	37.1%	\$6,404,749	\$2,202,611	34.4%	\$178,462
SCL Contract Payment	\$1,912,728	\$770,128	40.3%	\$1,829,501	\$741,166	40.5%	\$28,962
Gambling Tax Revenue	\$1,569,125	\$554,535	35.3%	\$1,755,451	\$670,411	38.2%	-\$115,876
Development Revenue	\$1,211,750	\$832,846	68.7%	\$1,090,055	\$697,758	64.0%	\$135,088
Park and Recreation Revenue	\$1,537,541	\$731,549	47.6%	\$1,503,960	\$694,205	46.2%	\$37,344
Intergovernmental Revenue	\$865,015	\$390,531	45.1%	\$906,181	\$332,571	36.7%	\$57,960
Grant Revenue	\$308,306	\$30,535	9.9%	\$367,931	\$35,420	9.6%	-\$4,885
Fines and Licenses	\$835,053	\$135,830	16.3%	\$887,245	\$151,827	17.1%	-\$15,997
Miscellaneous Revenue	\$431,479	\$259,081	60.0%	\$427,110	\$249,935	58.5%	\$9,146
Investment Income	\$30,000	\$14,057	46.9%	\$30,000	\$10,865	36.2%	\$3,192
Operating Transfers In	\$979,100	\$484,550	49.5%	\$946,045	\$473,022	50.0%	\$11,528
Total General Fund Revenue	\$36,843,013	\$15,609,625	42.4%	\$34,877,599	\$14,888,449	42.7%	\$721,176

GENERAL FUND REVENUE ANALYSIS:

TOTAL GENERAL FUND REVENUE

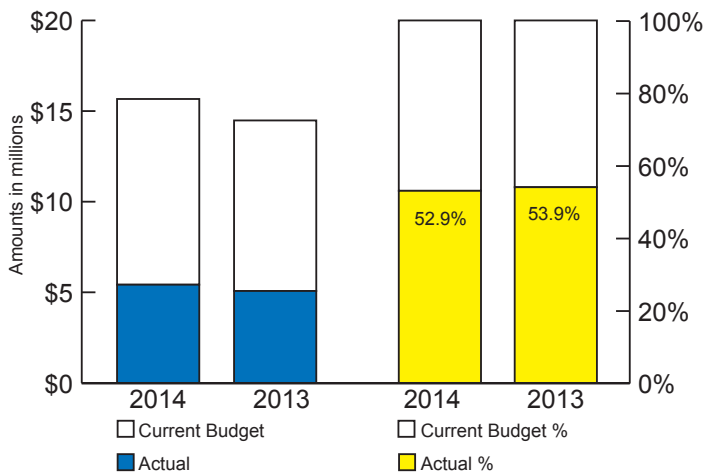


2014 Current Budget	\$36,843,013
2014 Second Quarter Actual Revenue	\$15,609,625
2014 % of Current Budget Received	42.4%
2013 Current Budget	\$34,877,599
2013 Second Quarter Actual Revenue	\$14,888,449
2013 % of Current Budget Received	42.7%
2014 v. 2013 Second Quarter \$ Variance	\$721,176
2014 v. 2013 Second Quarter % Variance	4.8%

Total General Fund revenue received through the second quarter of 2014 totaled \$15,609,625 and reflect a year-over-year increase of \$721,176, or 4.8%. The following highlights the most important details of this report:

- The largest year-over-year variance is due to the higher property tax levy for 2014.
- The year-over-year variance for Utility Tax & Franchise Fee Revenue receipts would be 2.0% had payments been received on time in the Natural Gas and Water categories in 2013 and Cable TV category in 2014.
- Pull-tab and Cardroom activity declined year-over-year. The closure of Drift on Inn last year contributed to the additional loss of revenue.
- The year-over-year increase in receipts is attributable to higher-than-anticipated receipts for building permits, mechanical fees/permits, land use fees/permits, and right-of-way fees/permits. Overall development permit activity is higher throughout all of the categories as compared to the same period in 2013.
- The year-over-year variance for Intergovernmental Revenue receipts is largely due to unanticipated receipts from the distribution of Liquor Excise Taxes.

PROPERTY TAX

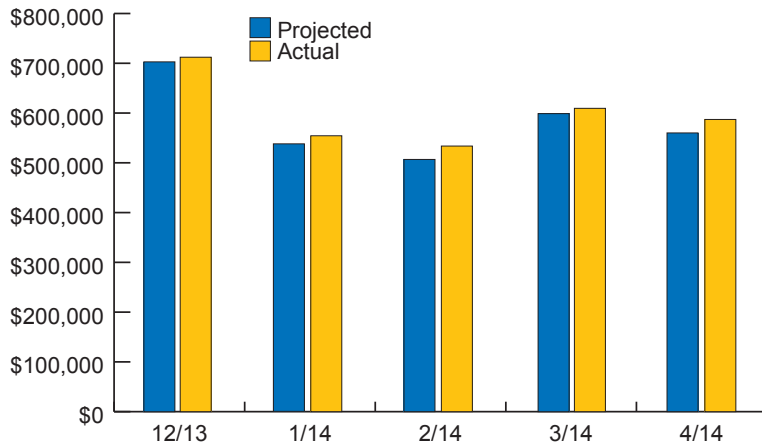


2014 Current Budget	\$10,245,815
2014 Second Quarter Actual Revenue	\$5,420,438
2014 % of Current Budget Received	52.9%
2013 Current Budget	\$9,409,277
2013 Second Quarter Actual Revenue	\$5,073,258
2013 % of Current Budget Received	53.9%
2014 v. 2013 Second Quarter \$ Variance	\$347,180
2014 v. 2013 Second Quarter % Variance	6.8%

In addition to the budget variance noted above, property tax receipts are greater than the year-to-date projection by \$39,063, or 0.7%. During the first two quarters of 2014 the City has received \$118,235 in delinquent taxes from previous years that were not factored into the budget projection.

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX



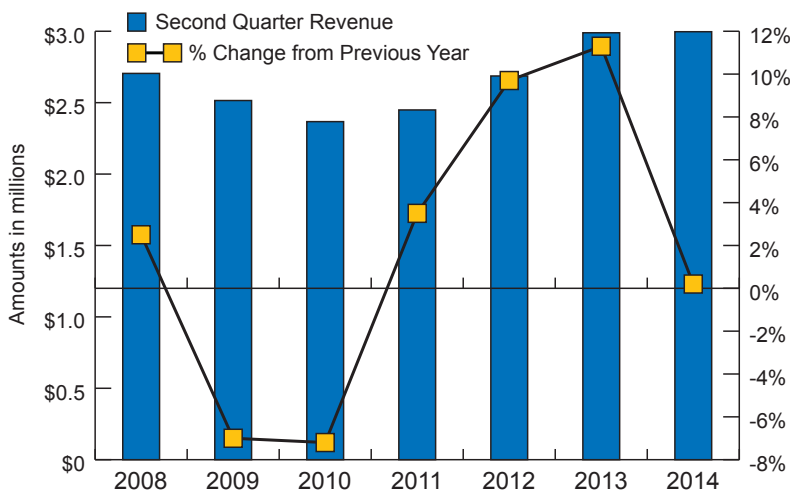
2014 Current Budget		\$6,739,000
Sales Activity	Projected	Actual
December 2013	\$703,000	\$712,174
January 2014	\$537,561	\$554,366
February 2014	\$506,773	\$533,674
March 2014	\$598,969	\$609,471
April 2014	\$560,056	\$587,117
Year to date	\$2,906,359	\$2,996,802
\$ Variance		\$90,443
% Variance		3.1%

Sales Tax receipts reflect activity from December 2013 through April 2014 and total \$2,996,802 and are above the revised year-to-date projection by \$90,443, or 3.1%, and above 2013 collections by \$7,388, or 0.2%. The variance from the projection is largely due to one-time activity in the construction sector. Staff's projection for the second quarter did not factor in the impact of one-time activity.

Receipts from the construction sector are lower than the year-ago level by 22.1%. Of the amount collected through June, one-time activity accounted for \$73,968, or 17.3%, in 2014, \$239,724, or 43.8%, in 2013 and \$279,579, or 61.7%, in 2012. It is anticipated there will be year-over-year decreases in future months as one-time projects come to an end. Removing one-time activity from the calculation reveals a year-over-year increase of 14.4%.

The tables on the following page help illustrate the performance of various sectors. The first table presents a condensed view of the four primary categories of construction, retail trade, hotels and restaurants, and all others. The second table presents a breakdown of the retail trade category and highlights specific industry economic performance in comparison to previous years.

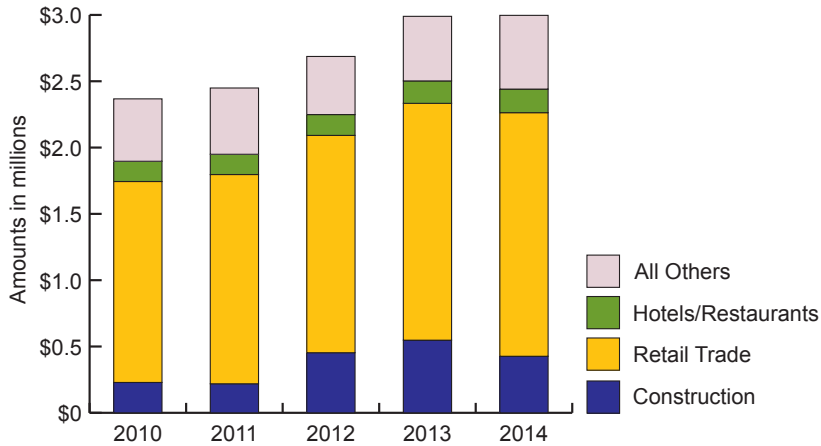
Second Quarter Sales Tax Revenue Comparison



Year	Second Quarter Revenue	% Change from Previous Year
2008	\$2,704,846	2.5%
2009	\$2,514,978	-7.0%
2010	\$2,367,206	-5.9%
2011	\$2,449,079	3.5%
2012	\$2,686,899	9.7%
2013	\$2,989,414	11.3%
2014	\$2,996,802	0.2%

GENERAL FUND REVENUE ANALYSIS (continued):

SALES TAX BY CATEGORY - Second Quarter 2014

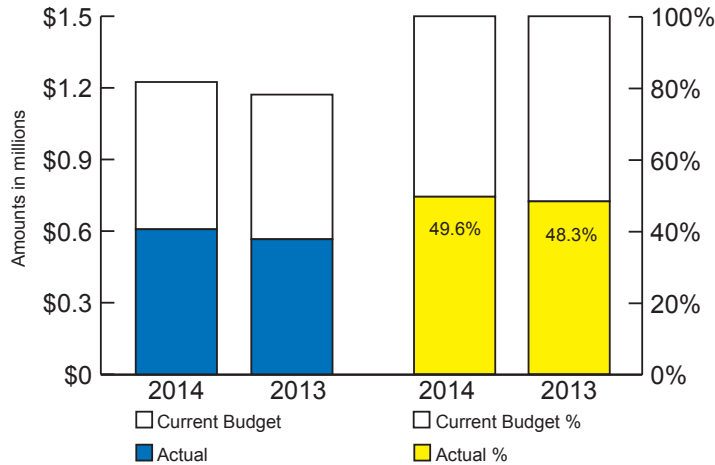


RETAIL SECTOR	2010	2011	2012	2013	2014
Construction	\$228,892	\$219,122	\$453,298	\$547,618	\$426,346
Retail Trade	\$1,515,147	\$1,577,560	\$1,638,357	\$1,785,747	\$1,836,766
Hotel and Restaurant	\$152,594	\$152,741	\$157,154	\$169,076	\$177,728
All Others	\$470,573	\$499,656	\$438,090	\$486,973	\$555,962
Total	\$2,367,206	\$2,449,079	\$2,686,899	\$2,989,414	\$2,996,802
\$ Variance to previous year	-\$147,772	\$81,873	\$237,820	\$302,515	\$7,388
% Variance to previous year	-5.9%	3.5%	9.7%	11.3%	0.2%

SALES TAX BY CATEGORY									
Retail Trade	2010 Dec-April	2011 Dec-April	2011 v. 2010 \$ Variance	2012 Dec-April	2012 v. 2011 \$ Variance	2013 Dec-April	2013 v. 2012 \$ Variance	2014 Dec-April	2014 v. 2013 \$ Variance
Motor Vehicle/Parts Dealer	\$337,491	\$383,068	\$45,577	\$412,438	\$29,370	\$459,052	\$46,614	\$500,090	\$41,038
Furniture, Home Furnishings	\$19,889	\$25,366	\$5,477	\$21,743	-\$3,623	\$22,525	\$782	\$26,705	\$4,180
Electronics and Appliances	\$27,897	\$29,136	\$1,239	\$41,521	\$12,385	\$37,660	-\$3,861	\$37,247	-\$413
Building Materials, Garden	\$216,855	\$198,431	-\$18,424	\$204,228	\$5,797	\$249,927	\$45,699	\$247,899	-\$2,028
Food and Beverage Stores	\$106,147	\$105,677	-\$470	\$105,847	\$170	\$105,461	-\$386	\$104,808	-\$653
Health/Personal Care Store	\$53,328	\$53,691	\$363	\$63,890	\$10,199	\$67,751	\$3,861	\$70,264	\$2,513
Gasoline Stations	\$26,358	\$28,490	\$2,132	\$29,406	\$916	\$29,686	\$280	\$29,486	-\$200
Clothing and Accessories	\$12,136	\$15,358	\$3,222	\$19,090	\$3,732	\$20,486	\$1,396	\$20,810	\$324
Sporting Goods, Hobby, Books	\$36,161	\$35,510	-\$651	\$35,445	-\$65	\$33,821	-\$1,624	\$36,146	\$2,325
General Merchandise Stores	\$539,995	\$546,464	\$6,469	\$543,082	-\$3,382	\$583,267	\$40,185	\$574,845	-\$8,422
Miscellaneous Store Retailers	\$99,237	\$109,607	\$10,370	\$107,380	-\$2,227	\$110,388	\$3,008	\$112,102	\$1,714
Nonstore Retailers	\$39,653	\$46,762	\$7,109	\$54,287	\$7,525	\$65,723	\$11,436	\$76,364	\$10,641
Total Revenue	\$1,515,147	\$1,577,560	\$62,413	\$1,638,357	\$60,797	\$1,785,747	\$147,390	\$1,836,766	\$51,019

GENERAL FUND REVENUE ANALYSIS (continued):

LOCAL CRIMINAL JUSTICE SALES TAX

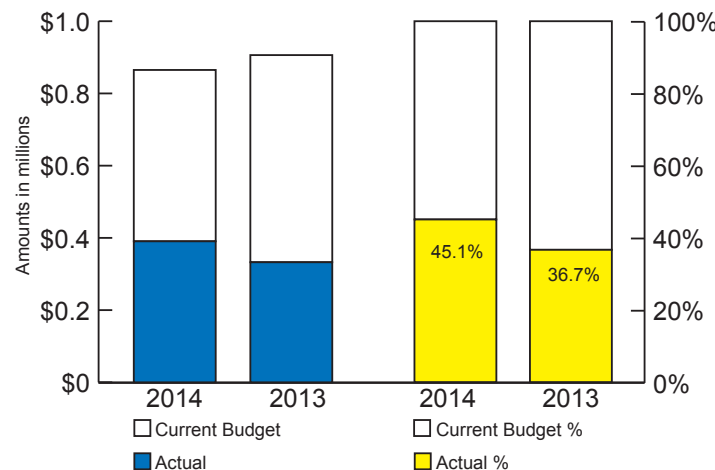


2014 Current Budget	\$1,224,532
2014 Second Quarter Actual Revenue	\$607,670
2014 % of Current Budget Received	49.6%
2013 Current Budget	\$1,171,779
2013 Second Quarter Actual Revenue	\$565,986
2013 % of Current Budget Received	48.3%
2014 v. 2013 Second Quarter \$ Variance	\$41,684
2014 v. 2013 Second Quarter % Variance	7.4%

Local Criminal Justice Sales Tax receipts through June, in the amount of \$607,670, are \$41,684, or 7.4%, more than the year-ago level. Thus far this year 49.6% of the amount budgeted has been received as compared to 48.3% received during the same period last year. In addition to the budget variance, receipts are \$19,499, or 3.3%, more than the year-to-date projection.

The result for Local Criminal Justice Sales Tax receipts is not commensurate with the result for Sales Tax receipts because the distribution of Local Criminal Justice Sales Tax is based on the city's population and the amount of sales tax collected throughout all of King County.

INTERGOVERNMENTAL REVENUE

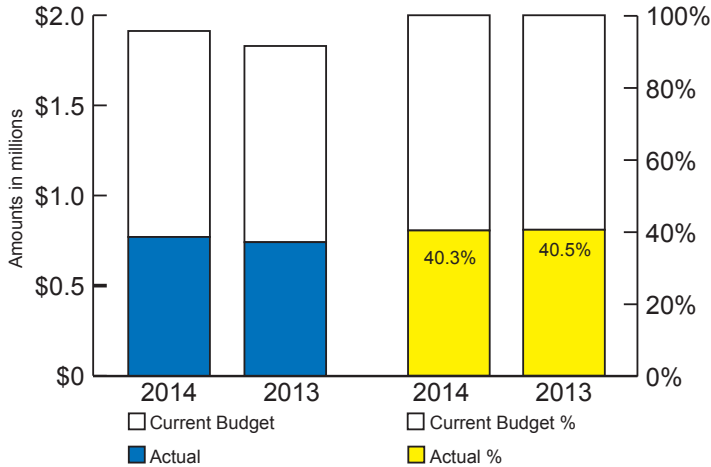


2014 Current Budget	\$865,015
2014 Second Quarter Actual Revenue	\$390,531
2014 % of Current Budget Received	45.1%
2013 Current Budget	\$906,181
2013 Second Quarter Actual Revenue	\$332,571
2013 % of Current Budget Received	36.7%
2014 v. 2013 Second Quarter \$ Variance	\$57,960
2014 v. 2013 Second Quarter % Variance	17.4%

Intergovernmental revenue sources are comprised primarily of funding for criminal justice programs, liquor excise tax, and liquor board profits. Receipts through June, in the amount of \$390,531, are \$57,960, or 17.4%, more than the year-ago level. In addition to the budget variance, receipts are \$37,984, or 10.8%, more than the year-to-date projection. Both variances are largely due to unanticipated receipts from the distribution of Liquor Excise Taxes.

GENERAL FUND REVENUE ANALYSIS (continued):

SEATTLE CITY LIGHT CONTRACT PAYMENT

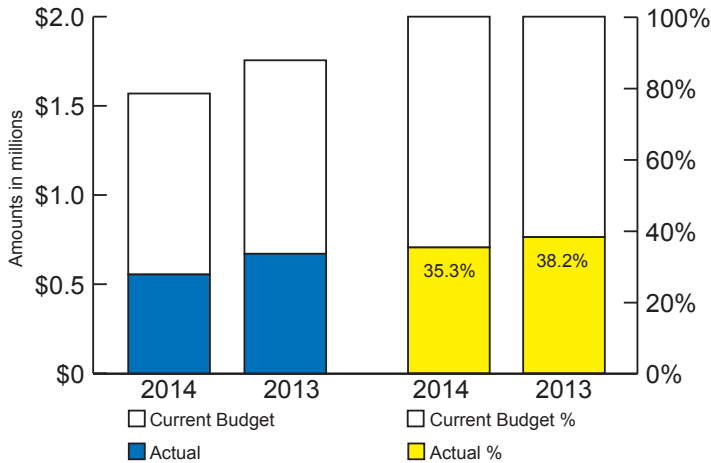


2014 Current Budget	\$1,912,728
2014 Second Quarter Actual Revenue	\$770,128
2014 % of Current Budget Received	40.3%
2013 Current Budget	\$1,829,501
2013 Second Quarter Actual Revenue	\$741,166
2013 % of Current Budget Received	40.5%
2014 v. 2013 Second Quarter \$ Variance	\$28,962
2014 v. 2013 Second Quarter % Variance	3.9%

Receipts through June, in the amount of \$770,128, are \$28,962, or 3.9%, more than the year-ago level. In addition to the budget variance, receipts are \$34,242, or 4.3%, less than the year-to-date projection.

GENERAL FUND REVENUE ANALYSIS (continued):

GAMBLING TAX REVENUE



2014 Current Budget	\$1,569,125
2014 Second Quarter Actual Revenue	\$554,535
2014 % of Current Budget Received	35.3%
2013 Current Budget	\$1,755,451
2013 Second Quarter Actual Revenue	\$670,411
2013 % of Current Budget Received	38.2%
2014 v. 2013 Second Quarter \$ Variance	-\$115,876
2014 v. 2013 Second Quarter % Variance	-17.3%

Total receipts, inclusive of taxes on gambling activity and payments on promissory notes, in the amount of \$554,535, are lower than 2013 collections by \$115,876, or 17.3%, and the projection by \$3,872, or 0.7%. Receipts attributable to taxes on gambling activity reported through the second quarter, in the amount of \$467,459, exhibit a year-over-year decrease of \$77,179, or 14.2%, and are \$3,168, or 0.7%, less than the projection. One-time revenue resulting from promissory notes through the second quarter totaled \$87,076.

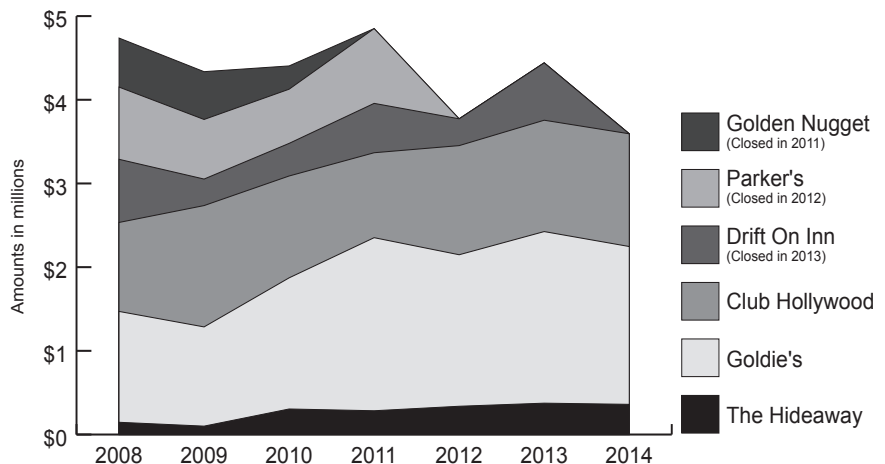
Pull-tab and card room activity declined year-over-year. The closure of Drift on Inn last year contributed to the additional loss of revenue. One-time revenue projected to be received based on promissory notes in 2014 totals \$98,278.

Gambling tax receipts presented in this report largely reflect only those taxes calculated on first quarter gambling activity, since second quarter gambling tax returns are not due to the City until July 30, and monthly payments as required by certain promissory notes. Card rooms pay ten percent of gross yearly receipts over \$10,000. The chart below exhibits the last seven years of gross receipts reported by card rooms in Shoreline.

CARD ROOM RECEIPTS 2008-2014

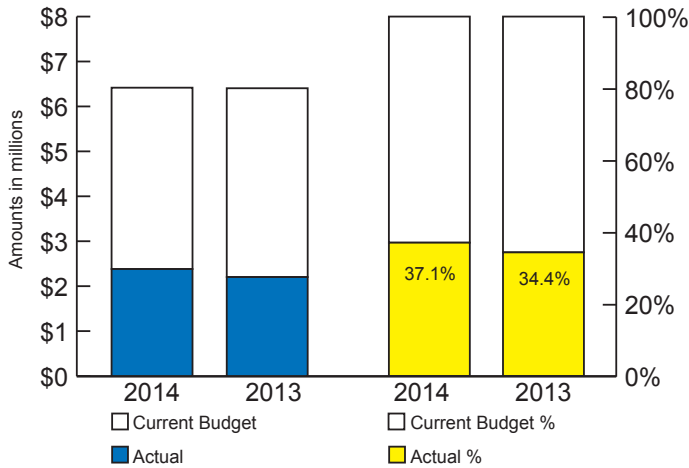
Card Room Gross Receipts
Second Quarter 2008-2014

Year		% Change from Previous Year
2008	\$4,737,431	-13.5%
2009	\$4,335,807	-8.5%
2010	\$4,404,379	1.6%
2011	\$4,850,692	10.1%
2012	\$3,772,590	-22.2%
2013	\$4,440,992	17.7%
2014	\$3,593,688	-19.1%



GENERAL FUND REVENUE ANALYSIS (continued):

UTILITY TAX AND FRANCHISE FEE



2014 Current Budget	\$6,417,125
2014 Second Quarter Actual Revenue	\$2,381,073
2014 % of Current Budget Received	37.1%
2013 Current Budget	\$6,404,749
2013 Second Quarter Actual Revenue	\$2,202,611
2013 % of Current Budget Received	34.4%
2014 v. 2013 Second Quarter \$ Variance	\$178,462
2014 v. 2013 Second Quarter % Variance	8.1%

Overall Utility Tax and Franchise Fee receipts, in the amount of \$2,381,073, are \$178,462, or 8.1%, more than the year-ago level. In addition to the budget variance, receipts are \$20,319, or 0.8%, less than the year-to-date projection.

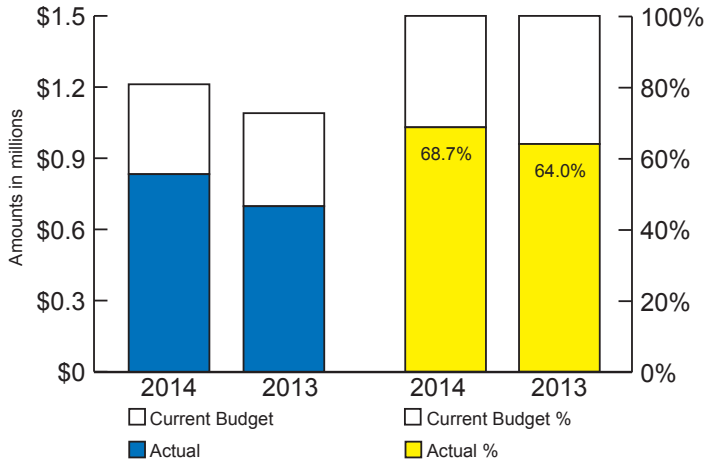
Natural gas tax receipts are 14.3% higher than those collected during the same period in 2013 because Puget Sound Energy's May 2013 payment was not received until July. Had that payment been received on time receipts through the second quarter of 2014 would be 1.2% higher than the year-ago level. Garbage tax receipts are 3.5% higher than those collected during the same period in 2013. Cable television tax receipts are 10.5% less than those collected during the same period in 2013 because Comcast's May 2014 utility tax payment was not received until July. Had that payment been received on time receipts through the second quarter of 2014 would be 2.5% higher than the year-ago level. Telecommunications tax receipts increased from 2013 collections by 0.2% and are behind the year-to-date projection by 1.5%. Telecommunications tax receipts fell each year from 2010 through 2013. Water franchise fee receipts are 169.1% higher than those collected during the same period in 2013 because Seattle's first quarter 2013 payment was not received until July. Had that payment been received on time receipts through the second quarter of 2014 would be 3.0% higher than the year-ago level.

It is important to note that activity through the second quarter of 2014 and 2013 presented in this report does not reflect second quarter payments for the garbage utility tax and water and cable franchise fees. Second quarter payments for these items are typically received in late July.

Revenue Source	2014 Current Budget	2014 Second Quarter Actual Revenue	2014 % of Current Budget Received	2013 Current Budget	2013 Second Quarter Actual Revenue	2013 % of Current Budget Received	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
Natural gas	\$889,590	\$504,160	56.7%	\$966,946	\$440,998	45.6%	\$63,162	14.3%
Garbage	\$528,086	\$132,399	25.1%	\$497,977	\$127,911	25.7%	\$4,488	3.5%
Cable TV	\$1,658,749	\$507,973	30.6%	\$1,531,846	\$567,331	37.0%	-\$59,358	-10.5%
Telecommunications	\$1,569,095	\$509,814	32.5%	\$1,704,878	\$508,978	29.9%	\$836	0.2%
Storm Drainage	\$207,697	\$112,903	54.4%	\$201,648	\$109,236	54.2%	\$3,667	3.4%
Water	\$754,197	\$209,824	27.8%	\$715,327	\$56,157	7.9%	\$153,667	273.6%
Sewer	\$809,711	\$404,000	49.9%	\$786,127	\$392,000	49.9%	\$12,000	3.1%
Utility Tax and Franchise Fee Revenue Subtotal	\$6,417,125	\$2,381,073	37.1%	\$6,404,749	\$2,202,611	34.4%	\$178,462	8.1%

GENERAL FUND REVENUE ANALYSIS (continued):

DEVELOPMENT REVENUE



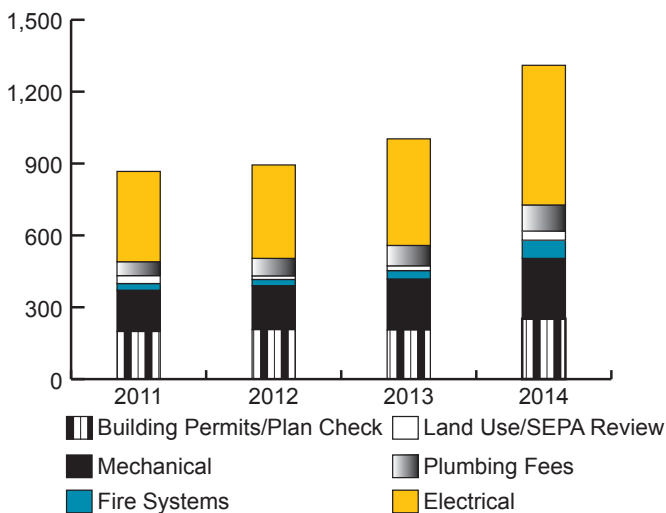
2014 Current Budget	\$1,211,750
2014 Second Quarter Actual Revenue	\$832,846
2014 % of Current Budget Received	68.7%
2013 Current Budget	\$1,090,055
2013 Second Quarter Actual Revenue	\$697,758
2013 % of Current Budget Received	64.0%
2014 v. 2013 Second Quarter \$ Variance	\$135,088
2014 v. 2013 Second Quarter % Variance	19.4%

Development revenue receipts, in the amount of \$832,846, are \$113,066, or 15.7%, more than the year-to-date projection and exhibit a year-over-year increase of \$135,088, or 19.4%. The year-over-year increase in receipts is attributable to higher-than-anticipated receipts for building permits, mechanical fees/permits, land use fees/permits, and right-of-way fees/permits.

Issued building permits came in at \$20.29 million valuation through June, comprised of 58.9% residential and 41.1% non-residential. The majority of the non-residential valuation is for the North City Water District's 3,200 square foot pump station and associated site work valued at \$4.0 million.

Thus far in 2014, there has been one less permit issued for new single-family residences issued, with a value that is \$0.7 million more, as compared to the year-ago level. There have been six more permits issued for non-residential construction (new and remodels), with a value that is \$2.4 million more, than the year-ago level. This positive trend is also seen in the number of permits issued throughout all of the categories as compared to the same period in 2013.

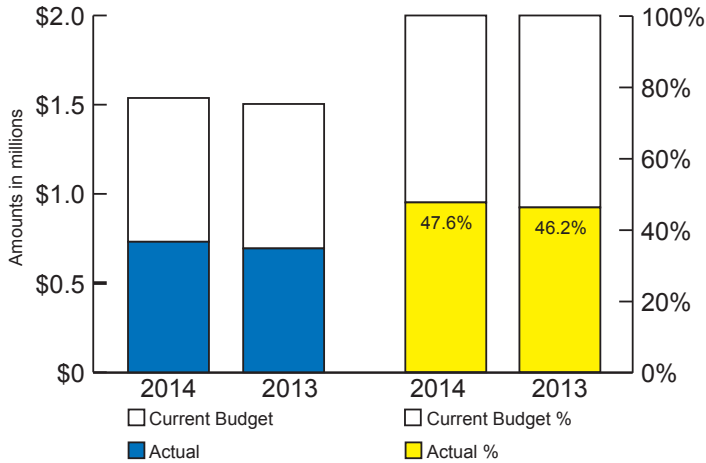
PERMITS BY TYPE January through June 2011–2014



PERMIT TYPE	2011	2012	2013	2014
Building Permits/Plan Check	199	207	206	252
Mechanical	172	183	212	252
Fire Systems	28	26	35	76
Land Use/SEPA Review	33	15	20	38
Plumbing	58	73	85	109
Electrical	377	390	445	583
Total	867	894	1,003	1,310

GENERAL FUND REVENUE ANALYSIS (continued):

PARK AND RECREATION REVENUE

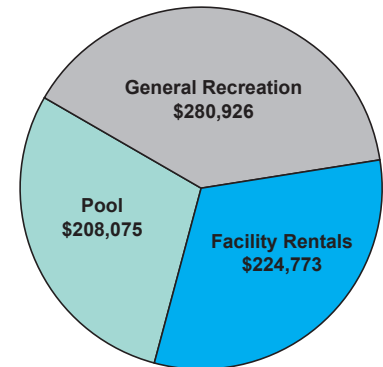


2014 Current Budget	\$1,537,541
2014 Second Quarter Actual Revenue	\$731,549
2014 % of Current Budget Received	47.6%
2013 Current Budget	\$1,503,960
2013 Second Quarter Actual Revenue	\$694,205
2013 % of Current Budget Received	46.2%
2014 v. 2013 Second Quarter \$ Variance	\$37,344
2014 v. 2013 Second Quarter % Variance	5.4%

Park and Recreation revenue receipts, in the amount of \$731,549, are \$37,344, or 5.4%, higher than the year-ago level and \$29,154, or 4.2%, higher than the year-to-date projection. Compared to the first half of 2013, the first half of 2014 witnessed an increase in revenues from the pool by 16.2% and facility rentals by 7.6%. Pool receipts for the second quarter of 2013 were affected by the pool closure during the month of May 2013 while a new boiler was being installed. The decrease in facility rental revenue is largely due to fewer rentals of athletic fields and the Spartan Gym. General Recreation receipts showed an increase of 13.6% over the same period in 2013, largely due to increased participation in preschool sports skills and youth programs.

Recreation Revenue by Program Area: January - June 2007 - 2014*

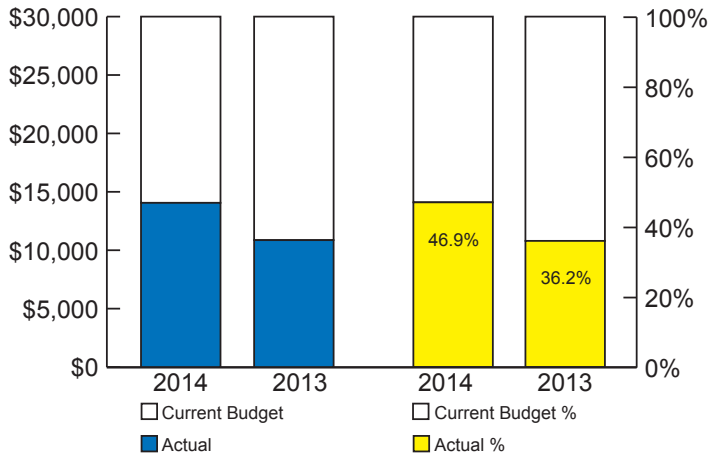
Year	General Recreation*	General Recreation % of Total	Pool	Pool % of Total	Facility Rentals	Facility Rentals % of Total	Total Revenue
2007	\$209,934	37.0%	\$196,133	34.6%	\$160,620	28.3%	\$566,687
2008	\$235,679	38.2%	\$222,352	36.0%	\$159,599	25.8%	\$617,630
2009	\$218,921	34.1%	\$212,571	33.1%	\$211,292	32.9%	\$642,784
2010	\$269,102	39.4%	\$203,074	29.7%	\$211,343	30.9%	\$683,519
2011	\$268,804	37.2%	\$214,604	29.7%	\$238,778	33.1%	\$722,186
2012	\$255,050	38.7%	\$178,782	27.1%	\$224,922	34.1%	\$658,754
2013	\$251,268	37.3%	\$179,073	26.6%	\$243,169	36.1%	\$673,510
2014	\$280,926	39.4%	\$208,075	29.2%	\$224,773	31.5%	\$713,774



* Excludes non-program revenue such as cell tower rental fees and special event sponsorships.

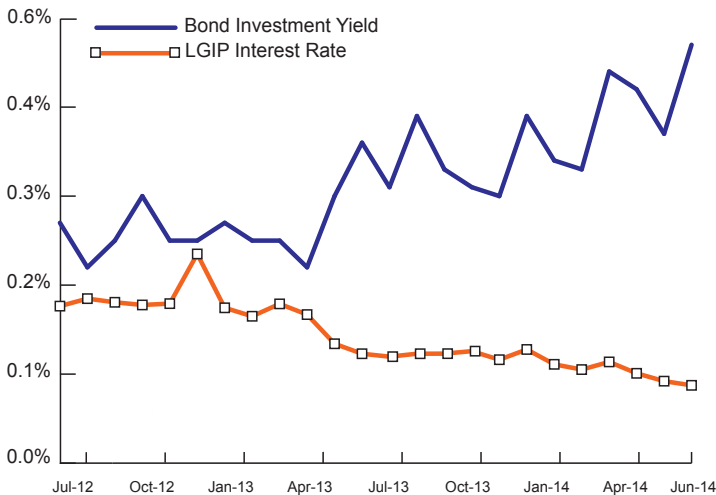
GENERAL FUND REVENUE ANALYSIS (continued):

INVESTMENT INCOME



2014 Current Budget	\$30,000
2014 Second Quarter Actual Revenue	\$14,057
2014 % of Current Budget Received	46.9%
2013 Current Budget	\$30,000
2013 Second Quarter Actual Revenue	\$10,865
2013 % of Current Budget Received	36.2%
2014 v. 2013 Second Quarter \$ Variance	\$3,192
2014 v. 2013 Second Quarter % Variance	29.4%

Investment earnings through June totaled \$14,057 and are higher than the year-ago level by \$3,686, or 35.5%.

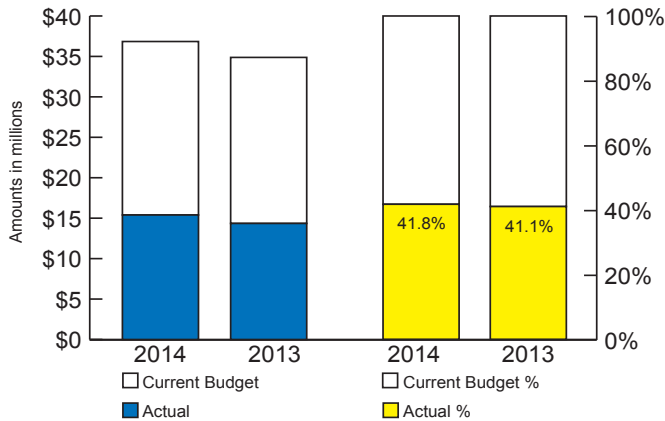


Month	LGIP Interest Rate*	Bond Investment Yield
7/31/12	0.1764%	0.2700%
8/31/12	0.1848%	0.2200%
9/30/12	0.1807%	0.2500%
10/31/12	0.1777%	0.3000%
11/30/12	0.1792%	0.2500%
12/31/12	0.2350%	0.2500%
1/31/13	0.1745%	0.2700%
2/29/13	0.1650%	0.2500%
3/31/13	0.1789%	0.2500%
4/30/13	0.1669%	0.2200%
5/31/13	0.1341%	0.3000%
6/30/13	0.1229%	0.3600%
7/31/13	0.1196%	0.3100%
8/31/13	0.1229%	0.3900%
9/30/13	0.1230%	0.3300%
10/31/13	0.1258%	0.3100%
11/30/13	0.1162%	0.3000%
12/31/13	0.1277%	0.3900%
1/31/14	0.1110%	0.3400%
2/28/14	0.1051%	0.3300%
3/31/14	0.1137%	0.4400%
4/31/14	0.1009%	0.4200%
5/28/14	0.0921%	0.3700%
6/31/14	0.0874%	0.4700%
Average	0.1426%	0.3163%

*Local Government Investment Pool

EXPENDITURE ANALYSIS

GENERAL FUND EXPENDITURES



2014 Current Budget	\$36,843,011
2014 Second Quarter Actual Expenditures	\$15,393,366
2014 % of Current Budget Expended	41.8%
2013 Current Budget	\$34,877,601
2013 Second Quarter Actual Expenditures	\$14,349,901
2013 % of Current Budget Expended	41.1%
2014 v. 2013 Second Quarter \$ Variance	\$1,043,465
2014 v. 2013 Second Quarter % Variance	7.3%

General Fund departmental expenditures through the second quarter of 2014, in the amount of \$13,597,073, are \$337,984, or 2.5%, higher than the year-ago level. General Fund expenditures including transfers out, of \$15,393,366 are \$1,043,465, or 7.3%, higher than the year-ago level.

In addition to the budget variance, General Fund departmental expenditures are \$510,324, or 3.6%, less than the year-to-date projection. Expenditures including transfers out are 3.2% below the year-to-date projection.

Transfers out are \$705,481 higher than last year due to one-time transfers to the Roads Capital Fund of \$300,000 to establish a grant matching pool and \$500,000 for annual roads surface maintenance support.

Department	2014 Current Budget	2014 Second Quarter Actual Expenditures	2014 % of Current Budget Expended	2013 Current Budget	2013 Second Quarter Actual Expenditures	2013 % of Current Budget Expended	2014 v. 2013 \$ Variance	2014 v. 2013 % Variance
City Council	\$221,089	\$119,231	53.9%	\$191,075	\$96,770	50.6%	\$22,460	23.2%
City Manager's Office ¹	\$2,158,535	\$854,837	39.6%	\$2,023,139	\$919,516	45.4%	-\$64,679	-7.0%
City Attorney	\$593,787	\$249,009	41.9%	\$584,847	\$227,707	38.9%	\$21,302	9.4%
Community Services ²	\$1,564,288	\$617,721	39.5%	\$1,523,978	\$592,257	38.9%	\$25,464	4.3%
Administrative Services ³	\$4,128,892	\$1,692,787	41.0%	\$3,867,515	\$1,584,247	41.0%	\$108,539	6.9%
Citywide	\$1,832,230	\$693,817	37.9%	\$1,775,686	\$855,696	48.2%	-\$161,879	-18.9%
Human Resources	\$442,810	\$220,579	49.8%	\$426,251	\$217,066	50.9%	\$3,514	1.6%
Police	\$10,703,332	\$4,311,021	40.3%	\$10,607,317	\$4,401,987	41.5%	-\$90,966	-2.1%
Criminal Justice	\$2,340,706	\$746,887	31.9%	\$2,109,968	\$592,017	28.1%	\$154,870	26.2%
Parks, Recreation & Cultural Services	\$5,020,693	\$2,099,920	41.8%	\$4,983,154	\$2,025,226	40.6%	\$74,694	3.7%
Planning & Community Development	\$2,705,095	\$1,127,358	41.7%	\$2,552,020	\$1,043,639	40.9%	\$83,719	8.0%
Public Works	\$2,442,806	\$863,906	35.4%	\$1,768,369	\$702,959	39.8%	\$160,946	22.9%
Departmental Expenditures	\$34,154,262	\$13,597,073	39.8%	\$32,413,319	\$13,259,088	40.9%	\$337,984	2.5%
Operating Transfers Out	\$2,688,749	\$1,796,293	66.8%	\$2,464,282	\$1,090,812	44.3%	\$705,481	64.7%
Total Expenditures	\$36,843,011	\$15,393,366	41.8%	\$34,877,601	\$14,349,901	41.1%	\$1,043,465	7.3%

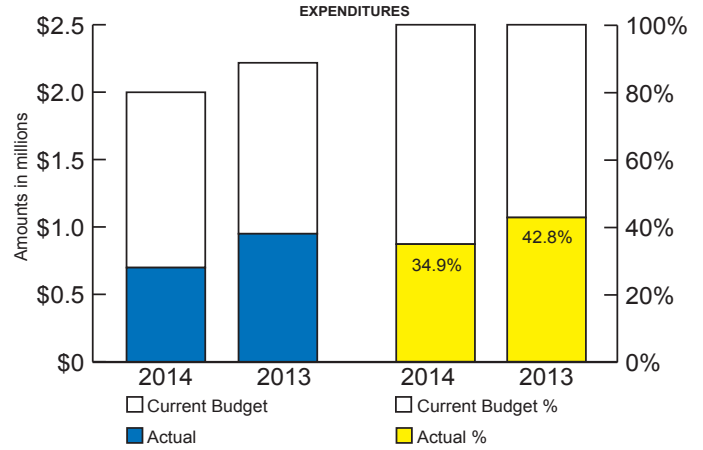
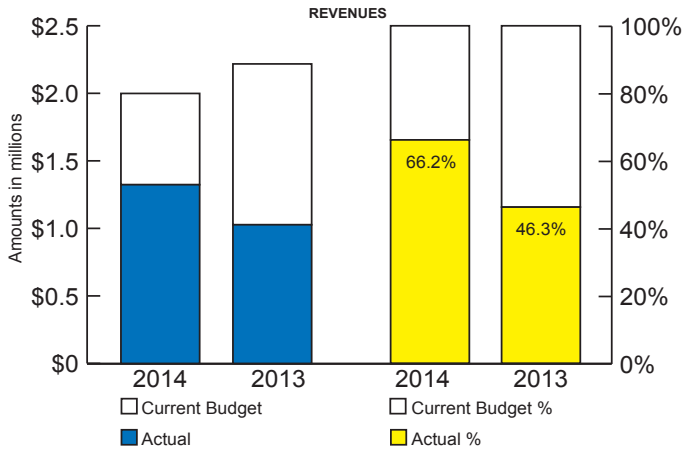
¹ City Manager's Office includes City Manager's Office, City Clerk, Communications, Intergovernmental Relations, Economic Development and Property Management.

² Community Services includes Emergency Management Planning, Neighborhoods, Human Services and the Customer Response Team.

³ Administrative Services includes Finance, Purchasing, Information Systems and Fleet & Facilities.

OTHER FUNDS REVENUE ANALYSIS:

STREET FUND



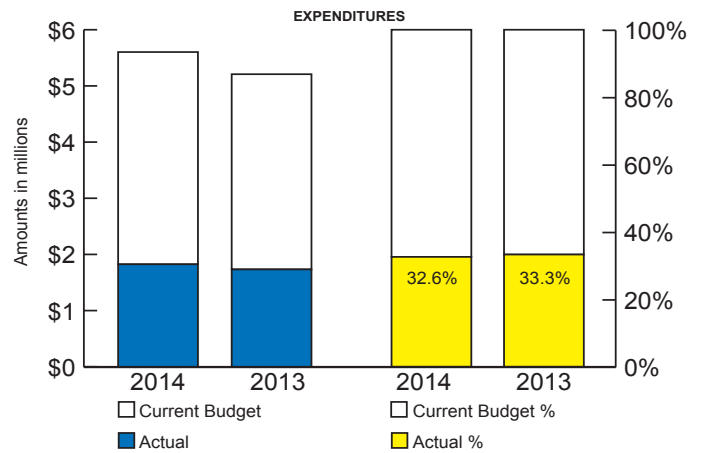
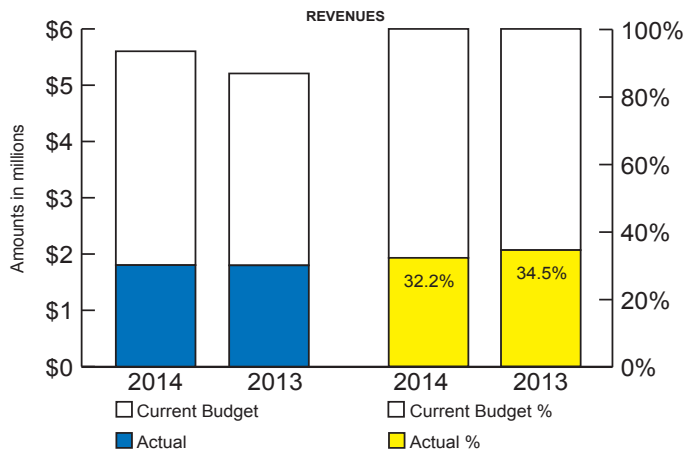
	Revenue	Expenditures
2014 Current Budget	\$1,999,037	\$1,999,037
2014 Second Quarter Actual	\$1,323,290	\$698,404
2014 % of Current Budget	66.2%	34.9%
2013 Current Budget	\$2,217,696	\$2,217,696
2013 Second Quarter Actual	\$1,026,812	\$949,600
2013 % of Current Budget	46.3%	42.8%
2014 v. 2013 Second Quarter \$ Variance	\$296,478	-\$251,196
2014 v. 2013 Second Quarter % Variance	28.9%	-26.5%

Receipts, including transfers in, through June totaled \$1,323,290 and are \$296,478, or 28.9%, higher than the year-ago level. A settlement payment for light pole repair was received in the first quarter of 2014, in the amount of \$340,000. Factoring out this payment reveals a year-over-year decrease of \$43,522, or 4.2%. In addition, receipts are \$347,246, or 35.6%, higher than the year-to-date projection.

Expenditures, including transfers out, through June totaled \$698,404 and are \$251,196, or 26.5%, less than the year-ago level. The decrease in expenditures is primarily because expenditures for streetlight and traffic signal electricity were moved to another program in 2014. These expenses totaled \$248,374 during the first half of 2013.

OTHER FUNDS REVENUE ANALYSIS:

SURFACE WATER UTILITY FUND



	Revenue	Expenditures
2014 Current Budget	\$5,602,951	\$5,602,951
2014 Second Quarter Actual	\$1,802,992	\$1,824,060
2014 % of Current Budget	32.2%	32.6%
2013 Current Budget	\$5,208,385	\$5,208,385
2013 Second Quarter Actual	\$1,798,507	\$1,733,184
2013 % of Current Budget	34.5%	33.3%
2014 v. 2013 Second Quarter \$ Variance	\$4,485	\$90,876
2014 v. 2013 Second Quarter % Variance	0.2%	5.2%

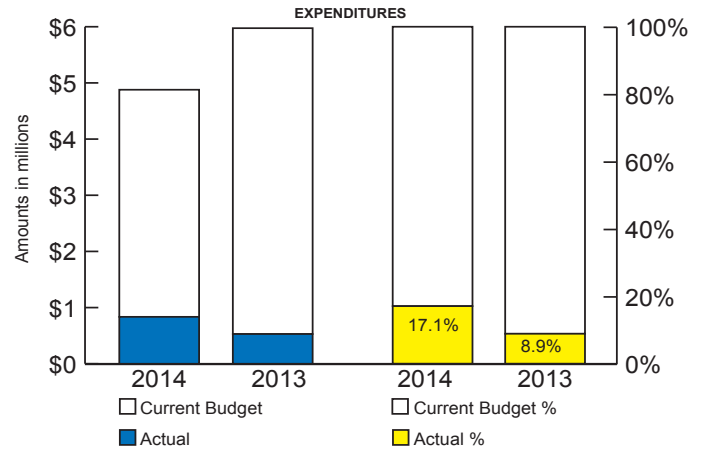
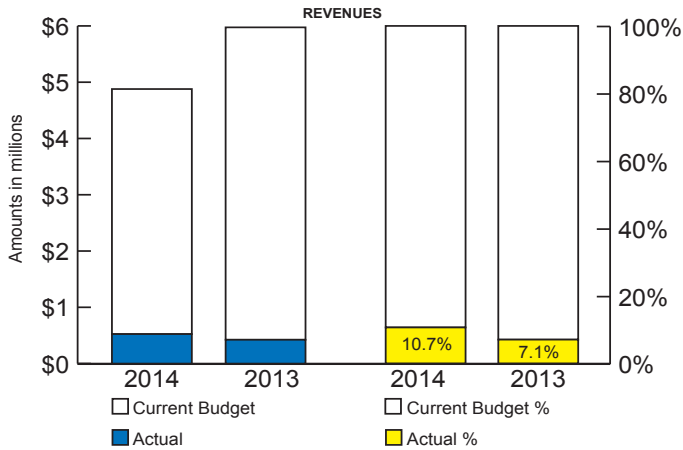
The Surface Water Utility Fund (SWM) includes on-going operational programs and capital projects with both being reflected in the total expenditures and revenues for the fund.

Receipts through June, in the amount of \$1,802,992, are \$4,485, or 0.2%, higher than the year-ago level and \$18,400, or 1.0%, higher than the year-to-date projection. SWM ongoing revenues include storm drainage fees and investment interest earnings. Storm Drainage Fees totaled \$1,787,330 and are \$42,398, or 2.4%, above the year-ago level.

Expenditures, including transfers out, through June totaled \$1,824,060 and are \$90,876, or 5.2%, more than the year-ago level. Furthermore, expenditures are \$185,696, or 9.2%, less than the year-to-date projection. Capital projects are \$121,982, or 38.9%, more than the year-ago level and the operating programs are \$75,920, or 7.3%, higher than the year-ago levels. In addition to the budget variance, capital projects expenditures are more than the year-to-date projections by \$102,484, or 33.1%, and operating program expenditures are less than the year-to-date projections by \$288,181, or 20.5%. Expenditures are impacted by the timing of construction schedules.

OTHER FUNDS REVENUE ANALYSIS:

GENERAL CAPITAL FUND



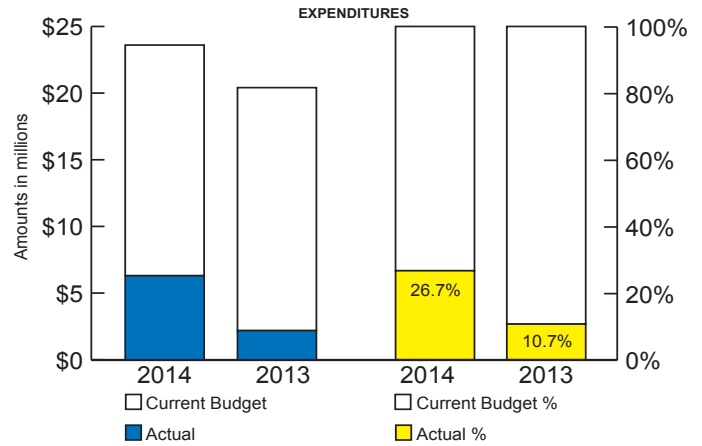
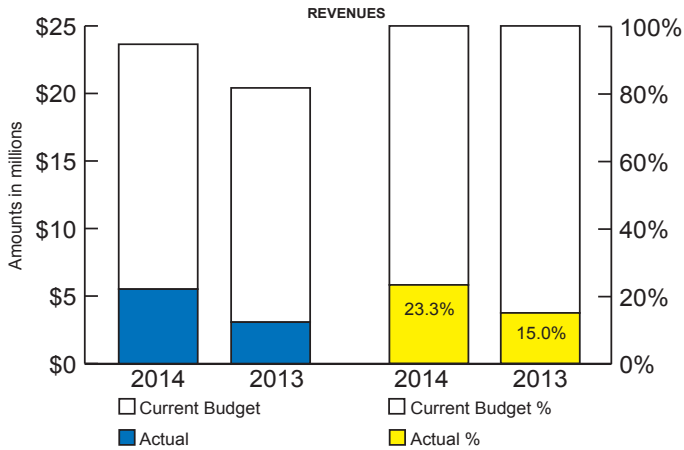
	<i>Revenue</i>	<i>Expenditures</i>
2014 Current Budget	\$4,878,471	\$4,878,471
2014 Second Quarter Actual	\$524,096	\$835,021
2014 % of Current Budget	10.7%	17.1%
2013 Current Budget	\$5,974,435	\$5,974,435
2013 Second Quarter Actual	\$423,424	\$529,039
2013 % of Current Budget	7.1%	8.9%
2014 v. 2013 Second Quarter \$ Variance	\$100,672	\$305,982
2014 v. 2013 Second Quarter % Variance	23.8%	57.8%

Receipts through June, in the amount of \$524,096, are \$100,672, or 23.8%, higher than the year-ago level. Investment earnings totaled \$1,380, which is \$7,780, or 84.9%, below the projection. Receipts from the King County Trail Levy totaling \$40,395 are below 2013 second quarter numbers by \$15,839, or 28.2%, but above the 2014 year-to-date projection by \$4,438, or 12.3%.

Expenditures through June, including transfers out, totaled \$835,021 and are \$305,982, or 57.8%, more than the same period in 2013. In addition, expenditures are \$328,500, or 64.9%, more than year-to-date projections. Expenditures are impacted by the timing of construction schedules.

OTHER FUNDS REVENUE ANALYSIS:

ROADS CAPITAL FUND



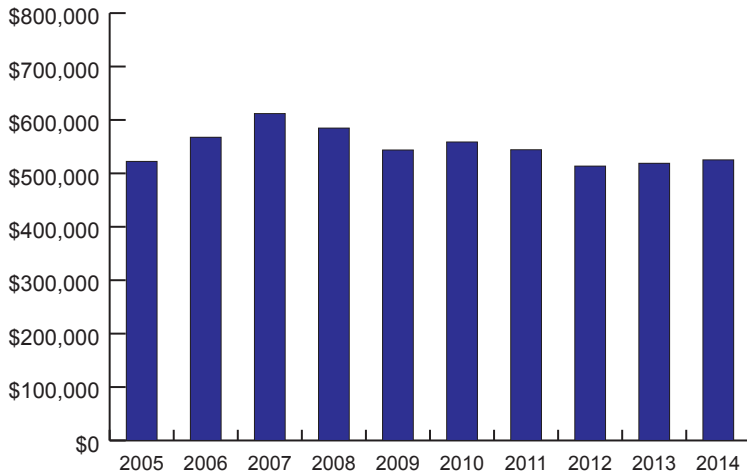
	Revenue	Expenditures
2014 Current Budget	\$23,642,942	\$23,603,999
2014 Second Quarter Actual	\$5,512,582	\$6,302,435
2014 % of Current Budget	23.3%	26.7%
2013 Current Budget	\$20,410,625	\$20,410,625
2013 Second Quarter Actual	\$3,067,590	\$2,181,810
2013 % of Current Budget	15.0%	10.7%
2014 v. 2013 Second Quarter \$ Variance	\$2,444,992	\$4,120,625
2014 v. 2013 Second Quarter % Variance	79.7%	188.9%

Receipts through June, in the amount of \$5,512,582, are \$2,444,992, or 79.7%, higher than the year-ago level. The increase is due, in part, to the fact that part of the annual charge to TBD for Roads Surfaces maintenance occurred earlier in 2014, while the 2013 charge occurred in the last half of the year. Another contributing factor is an increase in utility reimbursements from Seattle City Light, Seattle Public Utilities, and Ronald Wastewater.

Expenditures through June, in the amount of \$6,302,435, are \$4,120,625, or 188.9%, higher than the year-ago level. The difference between 2013 and 2014 is due to Aurora Avenue project being delayed in 2013 to 2014. Expenditures are impacted by the timing of construction schedules.

NON-GENERAL FUND REVENUE ANALYSIS:

STREET FUND - FUEL TAX

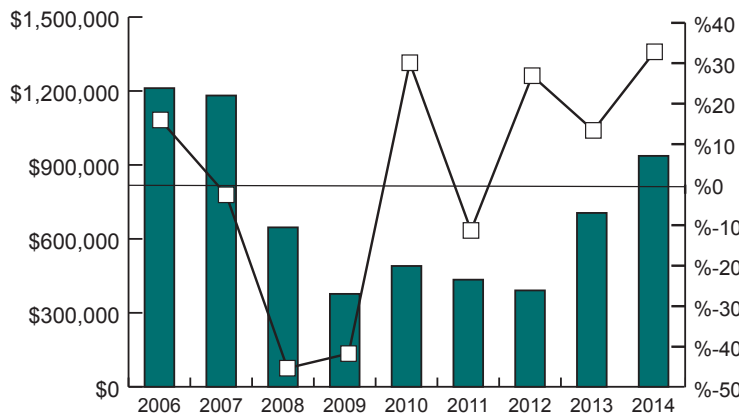


Fuel Tax: Historical Second Quarter 2005-2014

2005	\$522,371
2006	\$567,577
2007	\$611,951
2008	\$584,780
2009	\$543,744
2010	\$558,745
2011	\$544,273
2012	\$513,598
2013	\$518,862
2014	\$525,271

The Motor Vehicle Fuel Excise Tax, commonly referred to as Gas Tax, is levied by the State on a per gallon basis, distributed monthly on a per capita basis to the City of Shoreline, and placed in the Street Fund. Fuel Tax revenue receipts for the second quarter of 2014, in the amount of \$525,271, are \$6,409, or 1.2%, higher than the year-ago level. In addition to the budget variance, receipts are \$3,117, or 0.6%, greater than the year-to-date projection.

REAL ESTATE EXCISE TAX (REET)



REET: Second Quarter Collected 2006-2014

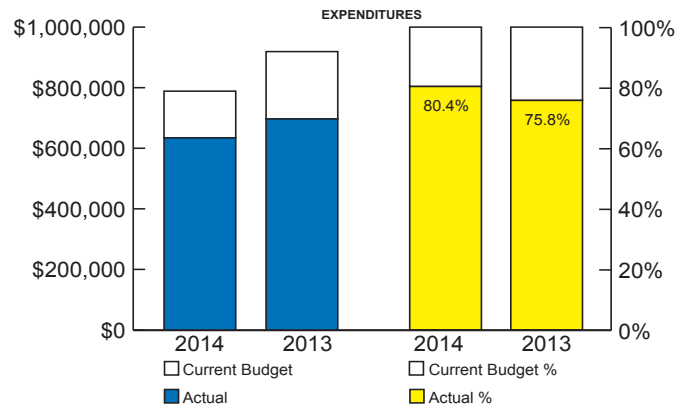
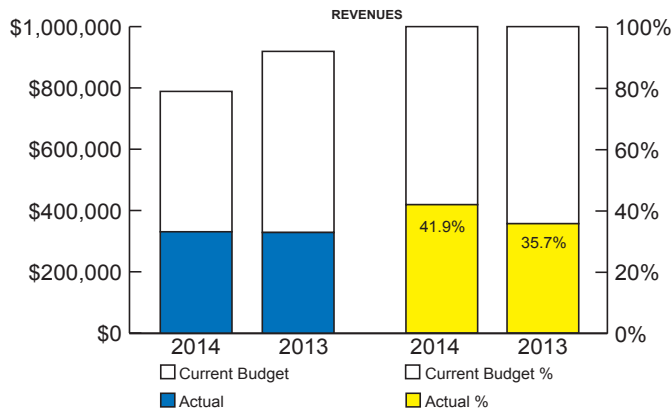
	Revenue	\$ Change from Previous Year	% Change from Previous Year
2006	\$1,211,482	\$166,536	15.9%
2007	\$1,181,604	-\$29,878	-2.5%
2008	\$646,678	-\$534,926	-45.3%
2009	\$376,842	-\$269,836	-41.7%
2010	\$490,104	\$113,262	30.1%
2011	\$434,516	-\$55,588	-11.3%
2012	\$621,962	\$131,858	26.9%
2013	\$705,296	\$83,334	13.4%
2014	\$936,710	\$231,414	32.8%

Real Estate Excise Tax (REET) revenue receipts for the second quarter of 2014, in the amount of \$936,710, are \$231,414 or 32.8% more than receipts for the same period in 2013. There were 37 more real estate transactions through the second quarter of 2014 than in the same period of 2013, and the total value of all transactions was \$26.94 million, or 19.3%, more than in 2013.

The difference in the value of real estate transactions is attributable to there being more transactions in 2014 (410 total) than in 2013 (373 total), and there being 13 high-value (\$1 million or more) transactions through the second quarter of 2014, one more than in the same period of 2013.

OTHER FUNDS REVENUE ANALYSIS:

TRANSPORTATION BENEFIT DISTRICT



	Revenue	Expenditures
2014 Current Budget	\$788,613	\$788,613
2014 Second Quarter Actual	\$330,603	\$634,340
2014 % of Current Budget	41.9%	80.4%
2013 Current Budget	\$919,200	\$919,200
2013 Second Quarter Actual	\$328,250	\$696,859
2013 % of Current Budget	35.7%	75.8%
2014 v. 2013 Second Quarter \$ Variance	\$2,353	-\$62,519
2014 v. 2013 Second Quarter % Variance	0.7%	-9.0%

Through the first six months of 2014, TBD vehicle license fees totaled \$330,423, which is \$2,277, or 0.7%, more than collections over the same period in 2013. Including the LGIP investment interest, total second quarter revenues equal \$330,603. In addition to the year-over-year comparison, 2014 second quarter receipts were \$2,112, or 0.6 %, less than the year-to-date projection.

Expenditures, mostly consisting of charges for services by the Annual Road Surface Maintenance program, totaled \$634,340, which is \$62,519, or 9.0% less than the same period in 2013.

Second Quarter INVESTMENT REPORT June 30, 2014

The City's investment policy adheres to strict standards prescribed by federal law, state statutes, local ordinances, and allows the City to develop an investment model to maximize its investment returns within the primary objectives of safety and liquidity.

Our yield objectives are very important and, pursuant to policy, the basis used by the City to determine whether the market yields are being achieved is through the use of a comparable benchmark. Our benchmark has been identified as the current yield to maturity of the Washington State Local Government Investment Pool, which had been the City's primary mode of investment prior to adopting our Investment Policy. As of June 30, 2014, the City's investment portfolio, excluding the State Investment Pool, had a current weighted average rate of return of 0.8908%. This is better than the State Investment Pool's current rate of return of 0.0874%. Total investment interest earnings through June were \$22,532 which is about 24% of total budgeted 2014 investment earnings of \$92,505.

Over the past few years, we have seen interest rates decline significantly. The average yield on two year government agency bonds was 5.34% in January 2007. By the end of 2008 this rate was down to 1.1%. Rates continued to decline reaching a low of 0.39% at the end of December 2013.

We are now starting to see some recovery in interest rates as the rate at the end of March 2014 was 0.44% and at the end of June 2014 was 0.47%. The City continued to implement a ladder philosophy in its investment portfolio over the last year. This resulted in the City being able to hold some securities at a higher interest rate during the declining interest rate environment. For example an instrument purchased in June 2014 is yielding 1.0% and will not mature until June 2017. This rate of return is projected to be above the average projected rate of return from the State Pool over the same period. A laddered portfolio approach helps assure that the City will, in the long run, receive a market average rate of return.

As of June 2014, the City's investment portfolio had a fair value of nearly \$30.23 million. Approximately 17% of the investment portfolio was held in U.S. government instrumentality securities, and 83% was held in the Washington State Investment Pool. The City's investment portfolio valued at cost as of June 30, 2014, was slightly over \$30.21 million. The difference between the cost and the market value of the portfolio represents either the loss or the gain of the portfolio if the City were to liquidate investments as of the day that the market value is stated. This would only be done if the City needed to generate cash. The City holds all of its investments until the scheduled maturity date, and therefore when the investments mature the principal market value should equal the cost of the investment. The City also holds sufficient investments within the State Pool to allow for immediate cash liquidation if needed. Investments within the State Pool can be liquidated on any given day with no penalty.

One of the major investment instruments used in the United States and throughout the rest of the world is "mortgage-backed securities". Mortgage-backed securities are mortgages that have been sold by banks to investment banks or federally sponsored agencies such as Federal National Mortgage Association (FNMA – Fannie Mae), Federal Home Loan Mortgage Corporation (FHLMC – Freddie Mac), or Federal Home Loan Banks (FHLCB), who then rebundle the mortgages and sell them to individual investors or investors in the stock market. Mortgage-backed securities can be a fairly safe investment, if there is little risk that the mortgage borrower will default on the loan, or they can be risky investments if there is a higher risk that the borrower will default, such as the case in sub-prime mortgages. The City has purchased and currently has mortgage backed securities in its investment portfolio. This instrument has been purchased from Federal Home Loan Banks.

INVESTMENT REPORT (continued):

LGIP Cash and Investment Balances June 30, 2014

Instrument Type

	CUSPID #	Broker	Settlement Date	Maturity Date	Par Value	Investment Cost	Yield To Maturity	Unrecognized Gain/(Loss)	Market Value 12/31/12
FHLB 0.375	3133834R9	ProEquities	06/26/13	06/24/16	\$1,000,000	\$986,541	0.8310%	\$10,604	\$997,145
FFCB 0.87	3133ED2Z4	ProEquities	09/27/13	09/26/16	1,000,000	1,000,450	0.8550%	1,185	1,001,635
FHLB 0.78	3130A0HZ6	Multi-Bank Security	12/30/13	12/30/16	1,000,000	999,000	0.8140%	1,459	1,000,459
FHLB 0.75	3130A16D5	Financial Northwestern	03/26/14	03/24/17	1,000,000	994,000	0.9537%	2,921	996,921
FHLMC 1.0	3137EADH9	Financial Northwestern	06/14/14	06/29/17	1,000,000	1,000,000	1.0000%	1,770	1,001,770
Sub Total Investments					5,000,000	4,979,991		17,939	4,997,930
State Investment Pool						25,229,538	0.0874%		25,229,538
Total LGIP + Investments						\$30,209,529		\$17,939	\$30,227,468

Current Average Maturity Excluding the State Investment Pool (days)	910
Current Weighted Average Yield to Maturity Excluding the State Pool	0.8908%
Current Yield to Maturity State Investment Pool	0.0874%
Basis Points in Excess (Below) Benchmark	80

Portfolio Diversification

Instrument Type	Percentage	Amount at Market Value	Amount at Cost	Broker	Percentage	Amount at Cost
FHLB	9.9%	2,994,525	2,979,541	ProEquities	6.6%	1,986,991
FFCB	3.3%	1,001,635	1,000,450	Multi-Bank Security	3.3%	999,000
FHLMC	3.3%	1,001,770	1,000,000	Financial Northwestern	6.6%	1,994,000
State Investment Pool	83.5%	25,229,538	25,229,538	State Investment Pool	83.5%	25,229,538
Total LGIP + Investments	100%	\$30,227,468	\$30,209,529	Total Investments	100%	\$30,209,529

Investments by Fund

Fund	Investments at Cost as of 6/30/2014	LGIP State Investment Pool as of 6/30/2014	Total LGIP + Investments at Cost by Fund as of 6/30/2014	Unrecognized Gain/(Loss) as of 6/30/2014	Total Market Value of Investments by Fund as of 6/30/2014	Investment Earnings Budget 2014	Investment Earnings Actual 2014	Over/(Under) Budget
001 General	\$544,450	\$8,755,509	\$9,299,959	\$8,873	\$9,308,832	\$26,500	\$13,222	-\$13,278
101 Street	250,000	1,200,498	1,450,498	2,687	1,453,186	5,000	883	-4,117
107 Code Abatement	0	160,244	160,244	0	160,244	550	77	-473
108 Asset Seizure	0	168,369	168,369	0	168,369	0	72	72
109 Public Arts	0	237,493	237,493	0	237,493	500	115	-385
112 Fed Drug Enforcement	0	218,691	218,691	0	218,691	50	85	35
114 Transportation Benefit Dist.	0	116,043	116,043	0	116,043	60	180	120
115 Property Tax Equalization	0	1,138,043	1,138,043	0	1,138,043	0	552	552
116 Fed Crim Forfeit	0	1,703,803	1,703,803	0	1,703,803	845	832	-13
190 Revenue Stabilization	3,099,000	2,036,954	5,135,954	0	5,135,954	0	0	0
301 General Capital	0	2,702,986	2,702,986	0	2,702,986	17,392	1,381	-16,011
312 City Fac-Mjr Maint	0	207,226	207,226	0	207,226	1,360	86	-1,274
330 Roads Capital	0	1,671,968	1,671,968	0	1,671,968	25,943	1,152	-24,791
401 Surface Water Utility Fund	0	3,224,680	3,224,680	0	3,224,680	6,055	1,493	-4,562
501 Vehicle Oper/Maint	0	263,073	263,073	0	263,073	250	66	-184
503 Equip Dep Replace	1,086,541	1,353,425	2,439,966	6,379	2,446,345	8,000	2,307	-5,693
505 Unemployment	0	70,534	70,534	0	70,534	0	28	28
Total Investments	\$4,979,991	\$25,229,538	\$30,209,529	\$17,939	\$30,227,468	\$92,505	\$22,532	-\$69,973